



**Iowa General Assembly**  
**Daily Bills, Amendments and Study Bills**  
**February 27, 2014**

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CCH-381

REPORT OF THE CONFERENCE COMMITTEE  
ON HOUSE FILE 381

To the Speaker of the House of Representatives and the  
President of the Senate:

We, the undersigned members of the conference committee  
appointed to resolve the differences between the House of  
Representatives and the Senate on House File 381, a bill  
for an Act concerning restrictions on dosage amounts for  
phenylbutazone in certain horse races, respectfully make the  
following report:

1. That the Senate recedes from its amendment, H-1285.

2. That House File 381, as amended, passed, and reprinted by  
the House, is amended to read as follows:

1. Page 1, before line 1 by inserting:

<Section 1. Section 99D.7, subsection 5, paragraph b, Code  
2014, is amended to read as follows:

b. The commission shall, beginning January 1, 2012, regulate  
the purse structure for all horse racing so that seventy-six  
percent is designated for thoroughbred racing, fifteen and  
one-quarter percent is designated for quarter horse racing, and  
eight and ~~three-quarter~~ three-quarters percent is designated  
for standardbred racing. The purse moneys designated for  
standardbred racing may only be used to support standardbred  
harness racing purses, breeder's awards, or expenses at  
the state fair, county fairs, or other harness racing  
tracks approved by the commission, or for the maintenance,  
construction, or repair of harness racing tracks located in  
Iowa and at the fairgrounds for such fairs or other harness  
racing tracks located in Iowa and approved by the commission.  
The horse racetrack in Polk county shall not provide funding to  
support standardbred racing at such county fairs that is not  
otherwise provided for in this paragraph.

Sec. \_\_\_\_\_. Section 99D.11, subsection 6, paragraph c,  
subparagraph (4), Code 2013, is amended to read as follows:

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ec/nh

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(4) An unlicensed advance deposit wagering operator or an individual taking or receiving wagers from residents of this state ~~on races conducted at the horse racetrack located in Polk county~~ is guilty of a class "D" felony.>

2. Page 1, line 1, by striking <2013> and inserting <2014>

3. Title page, line 1, after <concerning> by inserting <horse racing, including the use of purse moneys for harness racing, advance deposit wagering, and>

4. By renumbering as necessary.

ON THE PART OF THE HOUSE:

ON THE PART OF THE SENATE:

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QUENTIN STANERSON, CHAIRPERSON

---

JEFF DANIELSON, CHAIRPERSON

---

DENNIS COHOON

---

RICK BERTRAND

---

BRUCE HUNTER

---

TOD R. BOWMAN

---

JEFF SMITH

---

WALLY E. HORN

---

GUY VANDER LINDEN

---

CHARLES SCHNEIDER



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House File 2366

H-8044

1 Amend House File 2366 as follows:

2 1. Page 1, before line 1 by inserting:

3 <Section 1. Section 48A.35, Code 2014, is amended  
4 to read as follows:

5 **48A.35 Voter registration records under control of  
6 the commissioner.**

7 1. The county commissioner of elections shall be  
8 responsible for the maintenance and storage of all  
9 paper and electronic voter registration records in the  
10 commissioner's custody. Original registration records  
11 shall not be removed from the commissioner's office or  
12 from any other designated permanent storage location  
13 except upon request of a county commissioner or a court  
14 order, as provided in subsection 2, or as provided by  
15 section 48A.32. The state registrar of voters and  
16 the state voter registration commission shall adopt  
17 administrative rules to implement this section.

18 2. The county commissioner of elections may store  
19 an unaltered version of completed voter registration  
20 applications, including the applicant's signature, as  
21 an electronic document, or in another format suitable  
22 for preserving information in the registration record,  
23 regardless of the format in which the application is  
24 submitted.>

25 2. Title page, line 1, by striking <the terms of  
26 appointees to> and inserting <local elections and voter  
27 registration by providing for electronic storage of  
28 voter registration applications by a county and by  
29 providing changes in the process for filling>

30 3. By renumbering, redesignating, and correcting  
31 internal references as necessary.

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KAUFMANN of Cedar

HF2366.2985 (1) 85

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House File 2224

H-8045

1 Amend House File 2224 as follows:  
2 1. Page 1, after line 14 by inserting:  
3 <Sec. \_\_\_\_\_. Section 261.9, subsection 1, unnumbered  
4 paragraph 1, Code 2014, is amended to read as follows:  
5 "Accredited private institution" means an institution  
6 of higher learning located in Iowa which is operated  
7 privately and not controlled or administered by any  
8 state agency or any subdivision of the state and which  
9 meets the criteria in paragraphs "a" and "b" and all  
10 of the criteria in paragraphs "d" through "h" "i",  
11 except that institutions defined in paragraph "c" of  
12 this subsection are exempt from the requirements of  
13 paragraphs "a" and "b":  
14 Sec. \_\_\_\_\_. Section 261.9, subsection 1, Code 2014,  
15 is amended by adding the following new paragraph:  
16 NEW PARAGRAPH. i. (1) Adopts a policy to require  
17 that the institution shall annually, beginning December  
18 15, 2015, file a report with the governor and the  
19 general assembly providing information and statistics  
20 for the previous five academic years on the number  
21 of students per year who are veterans who received  
22 education credit for military education, training, and  
23 service, that number as a percentage of veterans known  
24 to be enrolled at the institution, the average number  
25 of credits received by students, and the average number  
26 of credits applied towards the award or completion of a  
27 course of instruction, postsecondary diploma, degree,  
28 or other evidences of distinction.  
29 (2) For purposes of this paragraph, "veteran" means  
30 a veteran as defined in section 35.1.>  
31 2. By renumbering as necessary.

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MASCHER of Johnson

HF2224.2841 (1) 85

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House File 2330

H-8046

1 Amend House File 2330 as follows:  
2 1. Page 4, after line 17 by inserting:  
3 <Sec. \_\_\_\_\_. Section 478.3, subsection 2, Code 2014,  
4 is amended by adding the following new paragraph:  
5 NEW PARAGRAPH. *Ob.* Petitions for transmission  
6 lines capable of operating at more than one hundred  
7 kilovolts direct current and either extending a  
8 distance of not less than one mile or extending across  
9 state boundaries shall also demonstrate that prior to  
10 filing the petition the proposed construction has been  
11 examined, accepted, and identified in appendix A of  
12 the most recent annual midcontinent independent system  
13 operator transmission expansion plan as approved by  
14 the midcontinent independent system operator board of  
15 directors, or approved as part of the expansion plan  
16 of any successor regional transmission organization  
17 representing the area in which the proposed lines will  
18 be constructed. Notwithstanding paragraph "b", this  
19 requirement shall not be subject to waiver by the  
20 utilities board.  
21 Sec. \_\_\_\_\_. Section 478.13, Code 2014, is amended by  
22 adding the following new subsection:  
23 NEW SUBSECTION. 6. If an extension is sought  
24 for transmission lines capable of operating at more  
25 than one hundred kilovolts direct current and either  
26 extending a distance of not less than one mile or  
27 extending across state boundaries, the application  
28 shall be subject to the requirement in section 478.3,  
29 subsection 2, paragraph "Ob".>  
30 2. Page 4, after line 19 by inserting:  
31 <Sec. \_\_\_\_\_. EFFECTIVE UPON ENACTMENT. The following  
32 provision or provisions of this Act, being deemed of  
33 immediate importance, take effect upon enactment:  
34 1. The section of this Act enacting section 478.3,  
35 subsection 2, paragraph "Ob".  
36 2. The section of this Act enacting section 478.13,  
37 subsection 6.  
38 Sec. \_\_\_\_\_. RETROACTIVE APPLICABILITY. The following  
39 provision or provisions of this Act apply retroactively  
40 to January 1, 2014:  
41 1. The section of this Act enacting section 478.3,  
42 subsection 2, paragraph "Ob".  
43 2. The section of this Act enacting section 478.13,  
44 subsection 6.>  
45 3. Title page, line 2, after <commerce> by  
46 inserting <, and including effective date and  
47 retroactive applicability provisions>  
48 4. By renumbering as necessary.

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WATTS of Dallas



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House File 2330

H-8047

- 1 Amend House File 2330 as follows:  
2 1. Page 4, after line 17 by inserting:  
3 <Sec. \_\_\_\_\_. Section 478.6, Code 2014, is amended by  
4 adding the following new unnumbered paragraph:  
5 NEW UNNUMBERED PARAGRAPH. A petition seeking  
6 the use of the right of eminent domain shall not  
7 be considered to serve a public use, as determined  
8 pursuant to this section or under section 6A.22, if  
9 the franchise involves the proposed construction of a  
10 direct current transmission line which extends across  
11 state boundaries.>  
12 2. Page 4, after line 19 by inserting:  
13 <Sec. \_\_\_\_\_. EFFECTIVE UPON ENACTMENT. The section  
14 of this Act amending section 478.6, being deemed of  
15 immediate importance, takes effect upon enactment.  
16 Sec. \_\_\_\_\_. RETROACTIVE APPLICABILITY. The  
17 section of this Act amending section 478.6 applies  
18 retroactively to January 1, 2014.>  
19 3. Title page, line 2, after <commerce> by  
20 inserting <, and including effective date and  
21 retroactive applicability provisions>  
22 4. By renumbering as necessary.

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Senate File 2132

H-8048

- 1 Amend Senate File 2132, as passed by the Senate, as  
2 follows:  
3 1. Page 4, after line 17 by inserting:  
4 <Sec. \_\_\_\_\_. Section 478.6, Code 2014, is amended by  
5 adding the following new unnumbered paragraph:  
6 NEW UNNUMBERED PARAGRAPH. A petition seeking  
7 the use of the right of eminent domain shall not  
8 be considered to serve a public use, as determined  
9 pursuant to this section or under section 6A.22, if  
10 the franchise involves the proposed construction of a  
11 direct current transmission line which extends across  
12 state boundaries.>  
13 2. Page 4, after line 19 by inserting:  
14 <Sec. \_\_\_\_\_. EFFECTIVE UPON ENACTMENT. The section  
15 of this Act amending section 478.6, being deemed of  
16 immediate importance, takes effect upon enactment.  
17 Sec. \_\_\_\_\_. RETROACTIVE APPLICABILITY. The  
18 section of this Act amending section 478.6 applies  
19 retroactively to January 1, 2014.>  
20 3. Title page, line 2, after <commerce> by  
21 inserting <, and including effective date and  
22 retroactive applicability provisions>  
23 4. By renumbering as necessary.

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Senate File 2132

H-8049

1 Amend Senate File 2132, as passed by the Senate, as  
2 follows:  
3 1. Page 4, after line 17 by inserting:  
4 <Sec. \_\_\_\_\_. Section 478.3, subsection 2, Code 2014,  
5 is amended by adding the following new paragraph:  
6 NEW PARAGRAPH. *Ob.* Petitions for transmission  
7 lines capable of operating at more than one hundred  
8 kilovolts direct current and either extending a  
9 distance of not less than one mile or extending across  
10 state boundaries shall also demonstrate that prior to  
11 filing the petition the proposed construction has been  
12 examined, accepted, and identified in appendix A of  
13 the most recent annual midcontinent independent system  
14 operator transmission expansion plan as approved by  
15 the midcontinent independent system operator board of  
16 directors, or approved as part of the expansion plan  
17 of any successor regional transmission organization  
18 representing the area in which the proposed lines will  
19 be constructed. Notwithstanding paragraph "b", this  
20 requirement shall not be subject to waiver by the  
21 utilities board.  
22 Sec. \_\_\_\_\_. Section 478.13, Code 2014, is amended by  
23 adding the following new subsection:  
24 NEW SUBSECTION. 6. If an extension is sought  
25 for transmission lines capable of operating at more  
26 than one hundred kilovolts direct current and either  
27 extending a distance of not less than one mile or  
28 extending across state boundaries, the application  
29 shall be subject to the requirement in section 478.3,  
30 subsection 2, paragraph "ob".>  
31 2. Page 4, after line 19 by inserting:  
32 <Sec. \_\_\_\_\_. EFFECTIVE UPON ENACTMENT. The following  
33 provision or provisions of this Act, being deemed of  
34 immediate importance, take effect upon enactment:  
35 1. The section of this Act enacting section 478.3,  
36 subsection 2, paragraph "ob".  
37 2. The section of this Act enacting section 478.13,  
38 subsection 6.  
39 Sec. \_\_\_\_\_. RETROACTIVE APPLICABILITY. The following  
40 provision or provisions of this Act apply retroactively  
41 to January 1, 2014:  
42 1. The section of this Act enacting section 478.3,  
43 subsection 2, paragraph "ob".  
44 2. The section of this Act enacting section 478.13,  
45 subsection 6.>  
46 3. Title page, line 2, after <commerce> by  
47 inserting <, and including effective date and  
48 retroactive applicability provisions>  
49 4. By renumbering as necessary.

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**House File 2425 - Introduced**

HOUSE FILE 2425  
BY LENSING and MASCHER

**A BILL FOR**

1 An Act relating to the creation of the medical cannabis Act  
2 and providing for civil and criminal penalties and fees and  
3 including effective date provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 124.401, subsection 5, Code 2014, is  
2 amended by adding the following new unnumbered paragraph:  
3 NEW UNNUMBERED PARAGRAPH. A person may knowingly or  
4 intentionally process, produce, possess, manufacture,  
5 distribute, dispense, deliver, or transport marijuana if the  
6 processing, production, possession, manufacture, distribution,  
7 dispensing, delivery, or transporting is in accordance with the  
8 provisions of chapter 124D.

9 Sec. 2. NEW SECTION. 124D.1 Short title.

10 This chapter shall be known and may be cited as the "*Medical*  
11 *Cannabis Act*".

12 Sec. 3. NEW SECTION. 124D.2 Purpose.

13 The purpose of this chapter is to allow for the medical use  
14 of cannabis in a regulated program for alleviating symptoms  
15 caused by debilitating medical conditions and the medical  
16 treatments for such conditions.

17 Sec. 4. NEW SECTION. 124D.3 Definitions.

18 As used in this chapter, the following definitions shall  
19 apply:

20 1. "*Adequate supply*" means an amount of cannabis, in any  
21 form approved by the department, possessed by a qualified  
22 patient or collectively possessed by a qualified patient and  
23 the qualified patient's primary caregiver that is determined  
24 by department rule to be no more than reasonably necessary to  
25 ensure the uninterrupted availability of cannabis for a period  
26 of three months and that is derived solely from an intrastate  
27 source.

28 2. "*Cannabis*" means all parts of the plants of the genus  
29 cannabis, whether growing or not; the seeds thereof; the resin  
30 extracted from any part of the plant; and every compound,  
31 manufacture, salt, derivative, mixture, or preparation of the  
32 plant, its seeds, or resin, including tetrahydrocannabinols.  
33 "*Cannabis*" does not include the mature stalks of the plant;  
34 fiber produced from the stalks; oil or cake made from the  
35 seeds of the plant; any other compound, manufacture, salt,

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1 derivative, mixture, or preparation of the mature stalks,  
2 except the resin extracted therefrom; fiber; or oil or cake  
3 or the sterilized seed of the plant which is incapable of  
4 germination.

5 3. *"Debilitating medical condition"* means any of the  
6 following:

7 a. Cancer.

8 b. Multiple sclerosis.

9 c. Epilepsy.

10 d. AIDS or HIV as defined in section 141A.1.

11 e. Spinal cord damage with intractable spasticity.

12 f. Any other medical condition, medical treatment, or  
13 disease approved by the department.

14 4. *"Department"* means the department of public health.

15 5. *"Licensed producer"* means any qualified patient, primary  
16 caregiver, or nonprofit private entity within this state that  
17 the department determines to be qualified to process, produce,  
18 possess, manufacture, distribute, dispense, deliver, and  
19 transport cannabis in this state pursuant to this chapter and  
20 that is licensed by the department. A qualified patient or  
21 primary caregiver licensed as a producer shall produce no more  
22 than an adequate supply of cannabis for the qualified patient's  
23 personal use only.

24 6. *"Medical use of cannabis"* means the acquisition,  
25 possession, cultivation, manufacture, use, delivery, transfer,  
26 or transportation of cannabis or paraphernalia related to the  
27 administration of cannabis to treat or alleviate a registered  
28 qualifying patient's debilitating medical condition or symptoms  
29 associated with the patient's debilitating medical condition.

30 7. *"Practitioner"* means a person licensed in this state to  
31 prescribe and administer a controlled substance regulated under  
32 chapter 124.

33 8. a. *"Primary caregiver"* means a resident of this state,  
34 at least eighteen years of age, who has been designated by  
35 the qualified patient's practitioner or a person having legal

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1 custody of the qualified patient, as being necessary to take  
2 responsibility for managing the well-being of a qualified  
3 patient with respect to the medical use of cannabis pursuant  
4 to the provisions of this chapter. A qualified patient may  
5 designate one or more primary caregivers.

6 *b. "Primary caregiver"* includes an employee of a hospice  
7 program, if the employee meets the definition of a primary  
8 caregiver under paragraph "a".

9 9. *"Program"* means the medical use of cannabis program  
10 established and administered by the department pursuant to  
11 rule.

12 10. *"Qualified patient"* means a resident of this state who  
13 has been diagnosed by a practitioner as having a debilitating  
14 medical condition and who has received written certification  
15 and been issued a registry identification card pursuant to this  
16 chapter.

17 11. *"Registry identification card"* means a document issued  
18 by the department that identifies a person as a registered  
19 qualified patient or registered primary caregiver.

20 12. *"Written certification"* means a statement signed by a  
21 qualified patient's practitioner that, in the practitioner's  
22 professional opinion, the patient has a debilitating medical  
23 condition and the practitioner believes that the potential  
24 health benefits of the medical use of cannabis would likely  
25 outweigh the health risks for the qualified patient. A written  
26 certification shall expire at the end of one year from the date  
27 of issuance.

28 Sec. 5. NEW SECTION. 124D.4 Medical use of cannabis —  
29 exemption from criminal and civil penalties.

30 1. A qualified patient who has been issued and who possesses  
31 a registry identification card shall not be subject to arrest  
32 or prosecution, civil or criminal penalty, or the denial of  
33 any right or privilege for the medical use of cannabis if the  
34 quantity of cannabis does not exceed an adequate supply.

35 2. A qualified patient's primary caregiver shall not be

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1 subject to arrest or prosecution, civil or criminal penalty,  
2 or the denial of any right or privilege for the medical use of  
3 cannabis on behalf of the qualified patient, if the quantity of  
4 cannabis does not exceed an adequate supply.

5 3. Subsection 1 does not apply to a qualified patient under  
6 the age of eighteen years unless all of the following apply:

7 a. The qualified patient's practitioner has explained the  
8 potential risks and benefits of the medical use of cannabis  
9 to the qualified patient and to a parent, guardian, or person  
10 having legal custody of the qualified patient.

11 b. A parent, guardian, or person having legal custody  
12 consents in writing to do all of the following:

13 (1) Allow the qualified patient's medical use of cannabis.

14 (2) Serve as the qualified patient's primary caregiver.

15 (3) Control the dosage and the frequency of the medical use  
16 of cannabis by the qualified patient.

17 (4) Designate one or more primary caregivers for the  
18 qualified patient.

19 4. A qualified patient or a primary caregiver shall be  
20 granted the full legal protections provided in this section if  
21 the qualified patient or primary caregiver is in possession  
22 of a registry identification card. If a qualified patient or  
23 primary caregiver is arrested and is not in possession of the  
24 person's registry identification card, any charge or charges  
25 filed against the person shall be dismissed by the court if the  
26 person produces to the clerk of the district court, prior to  
27 the initial court date, a registry identification card issued  
28 to that person and valid at the time of the person's arrest.

29 5. A practitioner shall not be subject to arrest or  
30 prosecution, civil or criminal penalty, or the denial of any  
31 right or privilege for recommending the medical use of cannabis  
32 or for providing a written certification for the medical use of  
33 cannabis pursuant to this chapter.

34 6. A licensed producer shall not be subject to arrest  
35 or prosecution, civil or criminal penalty, or the denial

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1 of any right or privilege, for the processing, production,  
2 possession, manufacture, distribution, dispensing, delivery, or  
3 transporting of cannabis pursuant to this chapter.

4 7. Any property interest that is possessed, owned, or  
5 used in connection with the medical use of cannabis, or acts  
6 incidental to such use, and any property seized shall be  
7 treated in accordance with the provisions of chapters 808, 809,  
8 and 809A. Any such property seized is subject to forfeiture  
9 as provided by chapter 809 or 809A. Cannabis, paraphernalia,  
10 or other property seized from a qualified patient or primary  
11 caregiver in connection with the claimed medical use of  
12 cannabis shall be returned immediately upon the determination  
13 by a court that the qualified patient or primary caregiver is  
14 entitled to the protections of the provisions of this chapter,  
15 as may be evidenced by a failure to actively investigate the  
16 case, a decision not to prosecute, the dismissal of charges,  
17 or acquittal.

18 8. A person shall not be subject to arrest or prosecution,  
19 civil or criminal penalty, or the denial of any right or  
20 privilege for a cannabis-related offense simply for being in  
21 the presence of the medical use of cannabis as permitted under  
22 the provisions of this chapter.

23 Sec. 6. NEW SECTION. 124D.5 Prohibitions, restrictions, and  
24 limitations on the medical use of cannabis — criminal penalties.

25 1. Participation in a medical use of cannabis program  
26 by a qualified patient or primary caregiver does not relieve  
27 the qualified patient or primary caregiver from any of the  
28 following:

29 a. Criminal prosecution or civil penalties for activities  
30 not authorized under this chapter.

31 b. Liability for damages or criminal prosecution arising  
32 out of the operation of a vehicle while under the influence of  
33 cannabis.

34 c. Criminal prosecution or civil penalty for possession or  
35 use of cannabis in any of the following places:

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- 1 (1) In a school bus or public vehicle.  
2 (2) On the grounds of any public or private preschool or  
3 elementary or secondary school.  
4 (3) In the workplace of the qualified patient's or primary  
5 caregiver's employment.  
6 (4) At a public park, recreation center, youth center, or  
7 other public place.  
8 2. A qualified patient or primary caregiver who makes  
9 a fraudulent representation to a law enforcement officer  
10 about the person's medical use of cannabis to avoid arrest  
11 or prosecution for a cannabis-related offense is guilty of a  
12 simple misdemeanor.  
13 3. A licensed producer who does any of the following shall  
14 be subject to arrest, prosecution, and civil or criminal  
15 penalties under state or federal law:  
16 a. Sells, distributes, dispenses, delivers, or transfers  
17 cannabis to a person not approved by the department pursuant to  
18 this chapter.  
19 b. Obtains, transports, or delivers cannabis outside this  
20 state in violation of federal law.  
21 Sec. 7. NEW SECTION. 124D.6 Medical advisory board —  
22 duties.  
23 1. No later than August 15, 2014, the director of the  
24 department shall establish a medical advisory board consisting  
25 of eight practitioners representing the fields of neurology,  
26 pain management, medical oncology, psychiatry, infectious  
27 disease, family medicine, and gynecology. The practitioners  
28 shall be nationally board-certified in their area of specialty  
29 and knowledgeable about the medical use of cannabis.  
30 2. Advisory board members shall be chosen for appointment by  
31 the director from a list proposed by the Iowa medical society.  
32 3. A quorum of the advisory board shall consist of five  
33 members.  
34 4. The advisory board shall have the following duties:  
35 a. Review and recommend to the department for approval



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1 additional debilitating medical conditions for persons who  
2 would benefit from the medical use of cannabis.

3     *b.* Accept and review petitions to add medical conditions,  
4 medical treatments, or diseases to the list of debilitating  
5 medical conditions that qualify for the medical use of  
6 cannabis.

7     *c.* Convene at least twice per year to conduct public  
8 hearings and to evaluate petitions, which shall be maintained  
9 as confidential personal health information, to add medical  
10 conditions, medical treatments, or diseases to the list of  
11 debilitating medical conditions that qualify for the medical  
12 use of cannabis.

13     *d.* Issue recommendations concerning rules to be adopted for  
14 the issuance of registry identification cards.

15     *e.* Recommend quantities of cannabis that are necessary  
16 to constitute an adequate supply for qualified patients and  
17 primary caregivers.

18     *f.* Review actions of the department in approving or denying  
19 registry identification card applications to ensure such  
20 approvals and denials are issued pursuant to the requirements  
21 of section 124D.8. In reviewing such actions, the advisory  
22 board shall be subject to the same confidentiality restrictions  
23 imposed on the department pursuant to section 124D.7,  
24 subsection 2, paragraph "a".

25     Sec. 8. NEW SECTION. 124D.7 Department rules and duties.

26     1. No later than October 1, 2014, and after consultation  
27 with the medical advisory board, the department shall adopt  
28 rules pursuant to chapter 17A to establish and implement a  
29 medical use of cannabis program consistent with the purposes  
30 of this chapter. The authority may adopt emergency rules  
31 pursuant to chapter 17A to implement this section and the rules  
32 shall be effective immediately upon filing unless a later date  
33 is specified in the rules. The rules shall do all of the  
34 following:

35     *a.* Govern the manner in which the department shall consider

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1 applications for new and renewal registry identification cards  
2 and for qualified patients and primary caregivers.  
3     *b.* Define the amount of cannabis that constitutes an  
4 adequate supply, including amounts for topical treatments.  
5     *c.* Identify criteria and set forth procedures for including  
6 additional medical conditions, medical treatments, or diseases  
7 on the list of debilitating medical conditions that qualify  
8 for the medical use of cannabis. Procedures shall include a  
9 petition process and shall allow for public comment and public  
10 hearings before the medical advisory board.  
11     *d.* Set forth additional medical conditions, medical  
12 treatments, or diseases for inclusion on the list of  
13 debilitating medical conditions that qualify for the medical  
14 use of cannabis as recommended by the medical advisory board.  
15     *e.* Establish requirements for the licensure of producers and  
16 set forth procedures to obtain licenses.  
17     *f.* Develop a distribution system for medical cannabis within  
18 this state that provides for all of the following:  
19         (1) Cannabis production facilities within this state housed  
20 on secured grounds and operated by licensed producers.  
21         (2) The distribution of medical cannabis to qualified  
22 patients and their primary caregivers to occur at locations  
23 designated by the department.  
24     *g.* Establish application and renewal fees that generate  
25 revenues sufficient to offset all expenses of implementing and  
26 administering this chapter.  
27     *h.* Specify and implement procedures that address public  
28 safety including security procedures and product quality,  
29 safety, and labeling.  
30     2. The department shall do all of the following:  
31         *a.* Maintain a confidential file containing the names  
32 and addresses of the persons who have either applied for or  
33 received a registry identification card. Individual names  
34 contained in the file shall be confidential and shall not be  
35 subject to disclosure, except as provided in subparagraph (1).



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1 (1) Information in the confidential file maintained  
2 pursuant to this paragraph "a" may be released to the following  
3 persons under the following circumstances:

4 (a) To authorized employees or agents of the department as  
5 necessary to perform the duties of the department pursuant to  
6 this chapter.

7 (b) To authorized employees of state or local law  
8 enforcement agencies, but only for the purpose of verifying  
9 that a person is lawfully in possession of a registry  
10 identification card issued pursuant to this chapter.

11 (2) Release of information pursuant to subparagraph  
12 (1) shall be consistent with the federal Health Insurance  
13 Portability and Accountability Act of 1996, Pub. L. No.  
14 104-191.

15 b. Submit an annual report to the general assembly by  
16 January 15 of each year that does not disclose any identifying  
17 information about registry identification cardholders or  
18 practitioners, but does contain, at a minimum, all of the  
19 following information:

20 (1) The number of applications and renewal applications  
21 submitted for registry identification cards.

22 (2) The number of registered qualifying patients and  
23 registered primary caregivers in each county.

24 (3) The nature of the debilitating medical conditions of the  
25 qualifying patients.

26 (4) The number of registry identification cards revoked.

27 (5) The number of practitioners providing written  
28 certifications for qualifying patients.

29 (6) The sufficiency of the overall supply available to  
30 qualified patients statewide.

31 **Sec. 9. NEW SECTION. 124D.8 Registry identification cards.**

32 1. The department shall issue a registry identification  
33 card to a qualified patient and to any primary caregiver for  
34 the qualified patient, if the qualified patient and primary  
35 caregiver submit all of the following in an application to the



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1 department, in accordance with the department's rules:  
2     *a.* A written certification.  
3     *b.* The name, address, and date of birth of the qualified  
4 patient.  
5     *c.* The name, address, and telephone number of the qualified  
6 patient's practitioner.  
7     *d.* The name, address, and date of birth of any primary  
8 caregiver for the qualified patient.  
9     2. *a.* The department shall verify the information contained  
10 in an application submitted pursuant to subsection 1 and  
11 shall approve or deny an application within thirty days of  
12 receipt. The department may deny an application only if the  
13 applicant did not provide the information required pursuant  
14 to subsection 1 or if the department determines that the  
15 information provided was falsified. A person whose application  
16 has been denied shall not be allowed to reapply for a registry  
17 identification card for six months from the date of the denial  
18 unless otherwise authorized by the department.  
19     *b.* The department's approval or denial of an application  
20 under this section shall be subject to review by the medical  
21 advisory board.  
22     3. The department shall issue a registry identification  
23 card within thirty days of receiving an application or a  
24 renewal application. The card shall expire one year after the  
25 date of issuance.  
26     4. A registry identification card shall contain all of the  
27 following:  
28     *a.* The name, address, and date of birth of the qualified  
29 patient and any primary caregiver.  
30     *b.* The date of issuance and expiration date of the registry  
31 identification card.  
32     *c.* Any other information that the department may require by  
33 rule.  
34     5. The department shall issue a registry identification  
35 card to any primary caregiver named in the qualified patient's

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1 approved application or renewal application provided the  
2 primary caregiver meets the requirements of section 124D.3,  
3 subsection 8.

4 6. A qualified patient or primary caregiver who possesses  
5 a registry identification card shall notify the department of  
6 any change in the person's name or address, qualified patient's  
7 practitioner, or qualified patient's primary caregiver, or  
8 any change in status of the qualified patient's debilitating  
9 medical condition within ten days of the change.

10 7. Possession of or application for a registry  
11 identification card shall not constitute probable cause or  
12 give rise to reasonable suspicion for a governmental agency  
13 to search the person or property of the person possessing or  
14 applying for the card.

15 Sec. 10. NEW SECTION. 124D.9 Medical cannabis dispensaries  
16 prohibited.

17 1. The establishment and operation of any medical cannabis  
18 dispensary in this state is prohibited. For purposes of this  
19 section, "medical cannabis dispensary" means any facility,  
20 establishment, or location, whether fixed or mobile, where  
21 medical cannabis is made available to, distributed by, or  
22 distributed to any person and that is not licensed pursuant to  
23 this chapter.

24 2. A violation of subsection 1 shall be enforced by means of  
25 civil enforcement through a restraining order, a preliminary or  
26 permanent injunction, or by any other means authorized under  
27 law.

28 Sec. 11. Section 453B.6, Code 2014, is amended to read as  
29 follows:

30 **453B.6 Pharmaceuticals.**

31 1. This chapter does not require persons lawfully in  
32 possession of a taxable substance to pay the tax required under  
33 this chapter or to purchase, acquire, or affix the stamps,  
34 labels, or other official indicia otherwise required by this  
35 chapter.

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2. A person who is in possession of cannabis for medical  
use in accordance with chapter 124D is in lawful possession of  
a taxable substance and is not subject to the requirements of  
this chapter.

5       Sec. 12.   TRANSITION PROVISIONS.

6 1. During the period between July 1, 2014, and thirty days  
7 after the effective date of rules adopted by the department  
8 of public health for the establishment and implementation of  
9 a medical use of cannabis program pursuant to section 124D.7,  
10 as enacted in this Act, a person who would be eligible for  
11 treatment for a debilitating medical condition through the  
12 medical use of cannabis as a qualified patient may obtain a  
13 written certification from a practitioner and upon presentation  
14 of that certification to the department, the department  
15 shall issue a temporary certificate for participation in  
16 the program. The department shall maintain a list of all  
17 temporary certificates issued pursuant to this section and the  
18 confidentiality provisions of section 124D.7, subsection 2, as  
19 enacted in this Act, shall apply to such list.

20 2. A person possessing a temporary certificate pursuant to  
21 subsection 1 shall not be subject to arrest or prosecution,  
22 civil or criminal penalty, or the denial of any right or  
23 privilege for the medical use of cannabis if the amount of  
24 cannabis is not more than the amount that is specified on the  
25 temporary certificate issued by the department.

26 3. For purposes of this section, "cannabis", "debilitating  
27 medication condition", "medical use of cannabis",  
28 "practitioner", "program", "qualified patient", and "written  
29 certification" mean the same as defined in section 124D.3, as  
30 enacted in this Act.

31	EXPLANATION
----	-------------

32           The inclusion of this explanation does not constitute agreement with  
33           the explanation's substance by the members of the general assembly.

34 This bill relates to the creation of the medical cannabis  
35 Act and provides for civil and criminal penalties and fees and

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1 includes effective date provisions.

2 The bill establishes new Code chapter 124D, the medical  
3 cannabis Act, to allow for the medical use of cannabis for  
4 alleviating symptoms caused by debilitating medical conditions  
5 and their medical treatments. The bill defines "medical use  
6 of cannabis" to mean the acquisition, possession, cultivation,  
7 manufacture, use, delivery, transfer, or transportation of  
8 cannabis or related paraphernalia to treat or alleviate a  
9 registered qualifying patient's debilitating medical condition  
10 as defined in the bill. The bill defines "cannabis" to mean  
11 all parts of the plants of the genus cannabis, whether growing  
12 or not; the seeds thereof; the resin extracted from any part of  
13 the plant; and every compound, manufacture, salt, derivative,  
14 mixture, or preparation of the plant, its seeds, or resin,  
15 including tetrahydrocannabinols. It does not include the  
16 mature stalks of the plant; fiber produced from the stalks; oil  
17 or cake made from the seeds of the plant; any other compound,  
18 manufacture, salt, derivative, mixture, or preparation of the  
19 mature stalks, except the resin extracted therefrom; fiber;  
20 or oil or cake or the sterilized seed of the plant which is  
21 incapable of germination (see also Code section 124.101(19)).

22 The bill provides that a qualified patient who has been  
23 issued and who possesses a registry identification card issued  
24 by the Iowa department of public health shall not be subject to  
25 arrest or prosecution, civil or criminal penalty, or the denial  
26 of any right or privilege for the medical use of cannabis if  
27 the quantity of cannabis does not exceed an adequate supply.  
28 The bill also provides the same immunity for a qualified  
29 patient's primary caregiver and for a licensed producer.

30 The bill defines a qualified patient as a resident of this  
31 state who has been diagnosed by a practitioner as having a  
32 debilitating medical condition as specified in the bill and  
33 who has received written certification and has been issued  
34 a registry identification card pursuant to the new Code  
35 chapter. A qualified patient may designate one or more primary

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1 caregivers. A primary caregiver is defined as a resident of  
2 this state, at least 18 years old, who has been designated by  
3 the patient's practitioner or a person having legal custody of  
4 the qualified patient as being necessary to take responsibility  
5 for managing the well-being of a qualified patient with respect  
6 to the medical use of cannabis pursuant to the provisions of  
7 the bill. "Licensed producer" is defined as any qualified  
8 patient, primary caregiver, or nonprofit private entity within  
9 this state that the department of public health determines  
10 to be qualified to process, produce, possess, manufacture,  
11 distribute, dispense, deliver, and transport cannabis in this  
12 state under the bill. A qualified patient or primary caregiver  
13 licensed as a producer shall produce no more than an adequate  
14 supply of cannabis for the patient's personal use only.  
15 "Practitioner" is defined as a person licensed in this state to  
16 prescribe and administer a controlled substance regulated under  
17 Code chapter 124.

18 The bill provides that participation in the medical use of  
19 cannabis program by a qualified patient or primary caregiver  
20 does not relieve the qualified patient or primary caregiver  
21 from prosecution or civil penalties for activities not  
22 authorized under the bill, liability for damages or criminal  
23 prosecution arising out of the operation of a vehicle while  
24 under the influence of cannabis or other criminal prosecution  
25 or civil penalties for possession or use of cannabis in certain  
26 situations. A qualified patient or primary caregiver who  
27 makes a fraudulent representation to a law enforcement officer  
28 about the person's medical use of cannabis to avoid arrest  
29 or prosecution for a cannabis-related offense is guilty of a  
30 simple misdemeanor.

31 The bill directs the department of public health to  
32 establish a medical advisory board no later than August 15,  
33 2014, consisting of eight practitioners representing the fields  
34 of neurology, pain management, medical oncology, psychiatry,  
35 infectious disease, family medicine, and gynecology. The

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1 practitioners shall be nationally board-certified in their  
2 area of specialty and knowledgeable about the medical use of  
3 cannabis and appointed by the director from a list proposed by  
4 the Iowa medical society. The advisory board is required to  
5 review and recommend to the department for approval additional  
6 debilitating medical conditions for persons who would benefit  
7 from the medical use of cannabis, accept and review petitions  
8 to add medical conditions, medical treatments, or diseases  
9 to the list of debilitating medical conditions that qualify  
10 for the medical use of cannabis, meet at least twice per year  
11 to conduct public hearings and to evaluate petitions to add  
12 medical conditions, medical treatments, or diseases to the  
13 list of debilitating medical conditions that qualify for the  
14 medical use of cannabis, issue recommendations concerning rules  
15 to be adopted for the issuance of registry identification  
16 cards, recommend quantities of cannabis that are necessary  
17 to constitute an adequate supply for qualified patients and  
18 primary caregivers, and review actions of the department in  
19 approving or denying registry identification card applications.  
20 The department is required to adopt rules pursuant to  
21 Code chapter 17A to establish and implement a medical use of  
22 cannabis program consistent with the purpose of the bill no  
23 later than October 1, 2014. The department is authorized to  
24 adopt emergency rules pursuant to Code chapter 17A. The rules  
25 shall relate to applications for new and renewal registry  
26 identification cards and for qualified patients and primary  
27 caregivers, the amount of cannabis that constitutes an adequate  
28 supply for purposes of the bill, including amounts for topical  
29 treatments, criteria and procedures for including additional  
30 medical conditions, medical treatments, or diseases as  
31 debilitating medical conditions that qualify for the medical  
32 use of cannabis, requirements for the licensure of producers,  
33 the development of a distribution system for medical cannabis  
34 within this state, the establishment of application and  
35 renewal fees that generate revenues sufficient to offset all

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1 expenses of implementing and administering the Code chapter,  
2 and specify and implement procedures that address public safety  
3 including security procedures and product quality, safety,  
4 and labeling. The department is to maintain confidential  
5 information collected pursuant to the bill and provide for the  
6 release of certain information to certain persons under certain  
7 confidentiality guidelines and to submit an annual report to  
8 the general assembly by January 15 of each year.

9 The department is also required to issue a registry  
10 identification card to a qualified patient and any primary  
11 caregiver named in the qualified patient's application, if the  
12 qualified patient and each primary caregiver submit certain  
13 information in an application to the department. The bill  
14 provides that possession of or application for a registry  
15 identification card shall not constitute probable cause or  
16 give rise to reasonable suspicion for a governmental agency  
17 to search the person or property of the person possessing or  
18 applying for the card.

19 The bill prohibits the establishment and operation of any  
20 unlicensed medical cannabis dispensary in this state. The bill  
21 defines "medical cannabis dispensary" to mean any facility,  
22 establishment, or location, whether fixed or mobile, where  
23 medical cannabis is made available to, distributed by, or  
24 distributed to any person and that is not licensed pursuant  
25 to the bill. A violation of this provision shall be enforced  
26 by means of civil enforcement through a restraining order, a  
27 preliminary or permanent injunction, or by any other means  
28 authorized under the law.

29 The bill provides a transition period to specify that  
30 during the period between July 1, 2014, and 30 days after the  
31 effective date of rules adopted by the department, a person  
32 who would be eligible for treatment for a debilitating medical  
33 condition under the bill through the medical use of cannabis  
34 as a qualified patient may obtain a written certification from  
35 a practitioner and upon presentation of that certification to

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1 the department of public health, the department shall issue  
2 a temporary certificate for the medical use of marijuana.  
3 The department shall maintain a confidential list of all  
4 temporary certificates issued pursuant to the bill. A person  
5 possessing a temporary certificate shall not be subject to  
6 arrest, prosecution, civil or criminal penalty, or the denial  
7 of any right or privilege for the medical use of cannabis  
8 if the amount of cannabis is not more than the amount that  
9 is specified on the temporary certificate issued by the  
10 department.

11 The bill amends Code section 124.401, relating to prohibited  
12 acts involving controlled substances, to provide that it is  
13 lawful for a person to knowingly or intentionally process,  
14 produce, possess, manufacture, distribute, dispense, deliver,  
15 or transport marijuana if such activities are in accordance  
16 with the provisions of the bill. The bill also amends  
17 Code section 453B.6, relating to tax stamps for controlled  
18 substances, to specify that possession of cannabis in  
19 accordance with the provisions of the bill is lawful possession  
20 and a tax stamp is not required.



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House File 2426 - Introduced

HOUSE FILE 2426  
BY PRICHARD

A BILL FOR

1 An Act relating to small farm operations producing  
2 vegetables or fruit, including by establishing programs  
3 to support production and marketing, a preference for  
4 government entities when purchasing food, a tax credit and  
5 appropriation, and a property tax exemption, and including  
6 applicability date provisions.  
7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 DIVISION I  
2 PROGRAMS

3 Section 1. NEW SECTION. 15E.371 Purpose.

4 The purposes of this division are to encourage and promote  
5 the production and purchase of locally and regionally produced  
6 vegetables or fruits, to improve nutrition for the citizens of  
7 Iowa, and to strengthen local and regional farm economies.

8 Sec. 2. NEW SECTION. 15E.372 Definitions.

9 As used in this division, unless the context otherwise  
10 requires:

11 1. "*Small farm operation*" means agricultural land as defined  
12 in 9H.1 which includes not more than ten acres exclusively used  
13 to produce vegetables or fruit for human consumption.

14 2. "*Small farm operator*" means a person who is the owner or  
15 lessee of a small farm operation.

16 Sec. 3. NEW SECTION. 15E.373 General authority.

17 1. The authority shall administer this division and adopt  
18 all rules necessary to carry out the purposes of this division  
19 as provided in section 15E.371.

20 2. The authority shall cooperate with the Iowa finance  
21 authority and the department of agriculture and land  
22 stewardship in administering this division.

23 3. The authority may employ or contract with a consultant or  
24 specialist to assist in developing and implementing a plan to  
25 implement this division.

26 Sec. 4. NEW SECTION. 15E.374 Qualifications.

27 In order to qualify to participate in a program under  
28 this division, a person shall meet all of the requirements  
29 established by the authority which shall include at least all  
30 of the following:

31 1. Be a small farm operator. The small farm operator may be  
32 an individual, a partner in a partnership under chapter 486A, a  
33 shareholder of a family farm corporation as defined in section  
34 9H.1, or a member of a family farm limited liability company as  
35 defined in section 9H.1.

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1     2. Be actively engaged in the small farm operation by making  
2 management decisions and performing physical work relating to  
3 the production and marketing of vegetables or fruit produced on  
4 the small farm operation. The person must be actively engaged  
5 on a regular, continuous, and substantial basis in a manner  
6 that is essential to the success of the small farm operation.  
7 If the person is a partnership, family farm corporation, or  
8 family farm limited liability company, at least one partner,  
9 shareholder, or member must be so actively engaged.  
10    3. Be a resident of this state. If the person is a  
11 partnership, family farm corporation, or family farm limited  
12 liability company, each partner, shareholder, or member must be  
13 a resident of this state.  
14    4. Have sufficient education, training, or experience  
15 in farming. If the person is a partnership, family farm  
16 corporation, or family farm limited liability company, each  
17 partner, shareholder, or member, who is not a minor, must have  
18 sufficient education, training, or experience in farming.  
19    5. Will materially and substantially participate in the  
20 small farming operation. If the person is a partnership,  
21 family farm corporation, or family farm limited liability  
22 company, each partner, shareholder, or member, who is not  
23 a minor, must materially and substantially participate in  
24 farming.  
25    6. Have access to adequate working capital and production  
26 items.  
27    7. Meet the low or moderate net worth requirements  
28 applicable to a beginning farmer under chapter 175.  
29    Sec. 5. NEW SECTION. 15E.375 **Small farm operator financial**  
30 **assistance program.**  
31    1. A small farm operator financial assistance program is  
32 created within the authority. The purpose of the program is to  
33 provide financial assistance to small farm operators for the  
34 improvement or expansion of an existing and viable small farm  
35 operation.





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1     2. The authority may provide financial assistance in the  
2 form of an interest loan, low-interest loan, no-interest loan,  
3 forgivable loan, loan guarantee, grant, letter of credit,  
4 equity financing, principal buy-down, interest buy-down, or a  
5 combination of these forms.

6     3. The maximum amount of financial assistance for a small  
7 farm operator under the program is twenty-five percent of the  
8 amount of credit extended to the small farm operator by an  
9 eligible lender, as defined by the authority, up to a maximum  
10 of fifty thousand dollars.

11    4. The authority shall not approve an application to  
12 refinance an existing loan.

13    Sec. 6. NEW SECTION. 15E.376 Small farm operator marketing  
14 program.

15    1. A small farm operator marketing program is created  
16 within the authority. The purpose of the program is to promote  
17 new markets for vegetables or fruits produced by small farm  
18 operators.

19    2. In carrying out the purpose of the program, the authority  
20 shall do all of the following:

21    a. Investigate the marketing of vegetables or fruits  
22 produced by small farm operators and recommend efficient and  
23 economical methods of marketing.

24    b. Promote the sale, distribution, and merchandising of  
25 vegetables or fruits produced by small farm operators.

26    c. Furnish information and assistance to the public  
27 concerning the marketing of vegetables or fruits produced by  
28 small farm operators.

29    d. Gather and diffuse useful information concerning all  
30 phases of the marketing of vegetables or fruits produced  
31 by small farm operators in cooperation with other public  
32 or private agencies. The authority shall cooperate with  
33 Iowa state university of science and technology to avoid any  
34 unnecessary duplication of efforts.

35    e. Ascertain sources of supply of vegetables or fruits

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1 produced by small farm operators, and prepare and publish  
2 from time to time lists of names and addresses of small farm  
3 operators and marketers.

4 Sec. 7. NEW SECTION. 15E.377 Small farm operations fund.

5 1. A small farm operations fund is created in the state  
6 treasury as a revolving fund under the control of the  
7 authority. The fund shall consist of any moneys appropriated  
8 by the general assembly for deposit in the fund and any other  
9 moneys available to and obtained or accepted by the authority  
10 from the federal government or private sources for placement  
11 in the fund.

12 2. Moneys in the fund are appropriated exclusively to  
13 support the programs created in this division including as  
14 provided in sections 15E.374 and 15E.375.

15 3. Notwithstanding section 12C.7, interest or earnings  
16 on moneys in the fund shall be credited to the fund.  
17 Notwithstanding section 8.33, moneys credited to the fund that  
18 remain unexpended or unobligated at the end of a fiscal year  
19 shall not revert to any other fund.

20 Sec. 8. NEW SECTION. 15E.378 Certification.

21 1. Upon application, the authority shall issue an annual  
22 certificate to a person eligible to participate in a program  
23 under this division verifying that the person is a qualified  
24 small farm operator, regardless of whether the person actually  
25 participates in a program.

26 2. A person may use a certificate issued to the person under  
27 this section as proof of eligibility for a benefit under other  
28 programs benefiting small farm operators, including all of the  
29 following:

30 a. The selling of vegetables or fruits to the department  
31 of administrative services pursuant to section 8A.315, the  
32 commission for the blind pursuant to section 216B.3, the board  
33 of directors of a merged area pursuant to section 260C.19C,  
34 the board of regents pursuant to section 262.9, the state  
35 department of transportation pursuant to section 307.21, and

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1 the department of corrections pursuant to section 904.312.  
2     *b.* The from small farm operation to school tax credit as  
3 provided in chapter 190A.  
4     *c.* A property tax exemption as provided in section 427.1.  
5     Sec. 9. CODIFICATION. The Code editor shall organize the  
6 provisions of this division of this Act as a new division in  
7 chapter 15E.

## DIVISION II

## PURCHASE BY GOVERNMENT ENTITIES

10       Sec. 10.   Section 8A.315, Code 2014, is amended by adding the  
11 following new subsection:

12     NEW SUBSECTION.   9.   When providing for the purchase of  
13   food, the department, whenever cost competitive, shall purchase  
14   vegetables or fruits produced by persons certified as qualified  
15   small farm operators by the economic development authority  
16   pursuant to section 15E.378.

17     Sec. 11. Section 216B.3, Code 2014, is amended by adding the  
18 following new subsection:

19     NEW SUBSECTION. 13A. When providing for the purchase of  
20 food, give a preference to purchasing vegetables or fruits  
21 produced by persons certified as qualified small farm operators  
22 by the economic development authority pursuant to section  
23 15E.378.

24       Sec. 12.   Section 260C.19C, Code 2014, is amended to read as  
25 follows:

26      260C.19C    Purchase of ~~designated biobased~~ certain products.

27 The board of directors providing services to a merged area  
28 shall give preference to purchasing ~~designated~~ all of the  
29 following:

30 1. Vegetables or fruits produced by persons certified as  
31 qualified small farm operators by the economic development  
32 authority pursuant to section 15E.378.

33     2. Designated biobased products in the same manner as  
34 provided in section 8A.317.

35      Sec. 13. Section 262.9, Code 2014, is amended by adding the

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1 following new subsection:

2 NEW SUBSECTION. 6A. When providing for the purchase of  
3 food, give a preference to purchasing vegetables or fruits  
4 produced by persons certified as qualified small farm operators  
5 by the economic development authority pursuant to section  
6 15E.378.

7 Sec. 14. Section 307.21, Code 2014, is amended by adding the  
8 following new subsection:

9 NEW SUBSECTION. 6A. The administrator shall, when  
10 providing for the purchase of food, give a preference to  
11 purchasing vegetables or fruits produced by persons certified  
12 as qualified small farm operators by the economic development  
13 authority pursuant to section 15E.378.

14 Sec. 15. Section 904.312, Code 2014, is amended by adding  
15 the following new subsection:

16 NEW SUBSECTION. 3. When providing for the purchase of food,  
17 the director shall give a preference to purchasing vegetables  
18 or fruits produced by persons certified as qualified small farm  
19 operators by the economic development authority pursuant to  
20 section 15E.378.

21 DIVISION III

22 IOWA STATE UNIVERSITY

23 Sec. 16. NEW SECTION. 266.31 **Small farm operations.**

24 1. The Iowa cooperative extension service in agriculture  
25 and home economics shall develop and publish materials and  
26 sponsor events on site or via the internet regarding best  
27 methods, practices, and strategies for use by small farm  
28 operators qualified to participate in programs created in  
29 chapter 15E, division XXVIII, in producing and marketing  
30 vegetables or fruits.

31 2. The materials and events shall be made available or  
32 sponsored at cost.

33 DIVISION IV

34 TAX CREDIT

35 Sec. 17. Section 2.48, subsection 3, paragraph f, Code 2014,

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1 is amended to read as follows:

2 *f.* In 2017, ~~the~~ the:

3 (1) The from small farm operation to school tax credit under  
4 chapter 190A, subchapter II.

5 (2) The innovation fund investment tax credit available  
6 under section 15E.52.

7 Sec. 18. NEW SECTION. 190A.11 **Administration — rules.**

8 1. This subchapter shall be administered by the department  
9 of revenue.

10 2. The department of revenue shall adopt all rules necessary  
11 to administer this subchapter.

12 3. The department of agriculture and land stewardship, the  
13 department of public health, and the department of education  
14 shall cooperate with the department of revenue in developing  
15 and administering this subchapter.

16 Sec. 19. NEW SECTION. 190A.12 **From small farm operation to**  
17 **school tax credit.**

18 A from small farm operation to school tax credit is allowed  
19 against the taxes imposed in chapter 422, divisions II and III,  
20 as provided in this subchapter.

21 Sec. 20. NEW SECTION. 190A.13 **From small farm operation to**  
22 **school tax credit — eligibility.**

23 In order to qualify for a from small farm operation to school  
24 tax credit, all of the following must apply:

25 1. The taxpayer must be a small farm operator qualified  
26 to participate in programs created in chapter 15E, division  
27 XXVIII.

28 2. The taxpayer must produce the vegetables or fruits on the  
29 taxpayer's small farm operation.

30 3. The taxpayer must transfer title to the vegetables or  
31 fruits to a school district or accredited nonpublic school in  
32 this state.

33 4. The vegetables or fruits shall not be damaged or  
34 out-of-condition or declared to be unfit for human consumption  
35 by a federal, state, or local health official. The condition

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1 of the vegetables or fruits must be at least the same as  
2 allowed for charitable contributions of food under section  
3 170(e)(3)(C) of the Internal Revenue Code. However, the  
4 department may require that the vegetables or fruits comply  
5 with higher quality standards.

6 5. The vegetables or fruits must be used by the school  
7 district or school to supplement the diet of its students.

8 Sec. 21. NEW SECTION. 190A.14 From small farm operation  
9 to school tax credit — claims.

10 1. A certificate issued by the economic development  
11 authority under section 15E.378 must be attached to the  
12 taxpayer's tax return for the tax year for which the tax  
13 credit under this subchapter is claimed. The department of  
14 revenue must review and approve an application for a tax credit  
15 certificate as provided by rules adopted by the department of  
16 revenue.

17 2. The department of revenue may require that the taxpayer  
18 attach proof of the sale of vegetables or fruits to the  
19 department supporting the tax credit claim in a form and manner  
20 prescribed by the department.

21 3. An individual may claim a from small farm operation to  
22 school tax credit of a general partnership, limited liability  
23 company, S corporation, or estate electing to have income  
24 taxed directly to the individual. The amount claimed by the  
25 individual shall be based upon the pro rata share of the  
26 individual's earnings from the partnership, limited liability  
27 company, S corporation, or estate.

28 Sec. 22. NEW SECTION. 190A.15 From small farm operation to  
29 school tax credit — limits on claims.

30 A from small farm operation to school tax credit is subject  
31 to all of the following limitations:

32 1. The tax credit shall not exceed a qualifying amount for  
33 the tax year that the tax credit is claimed. The qualifying  
34 amount is the lesser of the following:

35 a. Fifty percent of the total purchase price paid by all

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1 school districts or schools to which the vegetables or fruits  
2 were sold.

3     **b.** Ten thousand dollars.

4     2. A tax credit in excess of the taxpayer's liability for  
5 the tax year is not refundable but may be credited to the tax  
6 liability for the following five years or until depleted,  
7 whichever is earlier.

8     3. If a tax credit is allowed, the amount of the sale for  
9 which the tax credit is claimed shall not be deductible in  
10 determining taxable income for state tax purposes.

11     4. A tax credit shall not be carried back to a tax year  
12 prior to the tax year in which the taxpayer claims the tax  
13 credit.

14     Sec. 23. NEW SECTION. 190A.16 Tax credit certificates —  
15 availability.

16     1. The amount of tax credits that may be issued to support  
17 the from small farm operation to school tax credit shall not  
18 exceed five million dollars in the aggregate in any year.

19     2. The department of revenue shall issue tax credit  
20 certificates to support the from small farm operation to school  
21 tax credit on a first-come, first-served basis.

22     Sec. 24. NEW SECTION. 422.11K From small farm operation to  
23 school tax credit.

24     The taxes imposed under this division, less the credits  
25 allowed under section 422.12, shall be reduced by a from  
26 small farm operation to school tax credit under chapter 190A,  
27 subchapter 2.

28     Sec. 25. Section 422.33, Code 2014, is amended by adding the  
29 following new subsection:

30     NEW SUBSECTION. 22. The taxes imposed under this division  
31 shall be reduced by a from small farm operation to school tax  
32 credit under chapter 190A, subchapter 2.

33     Sec. 26. CODIFICATION. The Code editor shall organize  
34 the provisions of this division of this Act enacting sections  
35 190A.11 through 190A.16 as a new subchapter in chapter 190A.



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1     Sec. 27. APPLICABILITY. This division of this Act applies  
2 to tax years beginning on or after January 1, 2015.

3                             DIVISION V

4                             PROPERTY TAX EXEMPTION

5     Sec. 28. Section 427.1, Code 2014, is amended by adding the  
6 following new subsection:

7     NEW SUBSECTION. 25. *Small farm operation.* Land which  
8 is a small farm operation owned or leased by a small farm  
9 operator certified by the economic development authority  
10 pursuant to section 15E.378 as qualified to participate in  
11 programs under chapter 15E, division XXVIII. The economic  
12 development authority shall send a copy of the certificate  
13 to the appropriate assessor not later than February 1 of the  
14 assessment year for which the exemption is requested. The  
15 economic development authority may subsequently withdraw the  
16 certificate if the small farm operator no longer qualifies to  
17 participate in programs under chapter 15E, division XXVIII. In  
18 that case, the economic development authority shall provide the  
19 assessor with written notice of the decertification.

20                             EXPLANATION

21                     The inclusion of this explanation does not constitute agreement with  
22                     the explanation's substance by the members of the general assembly.

23     GENERAL. This bill provides assistance to a person  
24 classified as a small farm operator who owns or leases not more  
25 than 10 acres of agricultural land used to produce vegetables  
26 or fruits. In order to receive assistance, the small farm  
27 operator must comply with certain requirements. The person  
28 must be in business as an individual or an equity holder in  
29 an entity, including as a partner of a general partnership,  
30 a shareholder of a family farm corporation, or a member  
31 of a family farm limited liability company (Code chapter  
32 9H). The individual or all equity holders in an entity must  
33 be Iowa residents, must demonstrate sufficient education,  
34 training, or experience in farming, and will materially and  
35 substantially participate in the small farm operation. The

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1 small farm operation must have access to adequate working  
2 capital and production items, and meet low or moderate net  
3 worth requirements applicable to a beginning farmer under the  
4 beginning farmer loan program (Code sections 175.2(1)(p) and  
5 175.12).

6 ASSISTANCE PROGRAMS. The bill creates two small farm  
7 operation assistance programs administered by the economic  
8 development authority (authority). The first is a small farm  
9 operator financial assistance program to provide financial  
10 assistance to small farm operators for the improvement or  
11 expansion of an existing farm operation. The assistance may be  
12 in the form of an interest loan, low-interest loan, no-interest  
13 loan, forgivable loan, loan guarantee, grant, letter of credit,  
14 equity financing, principal buy-down, or interest buy-down.  
15 The second is a small farm operator marketing program to  
16 promote new markets for vegetables or fruits produced by small  
17 farm operators. The bill also creates a small farm operations  
18 fund to support the programs. Finally, the bill requires the  
19 authority to certify that a small farm operator is eligible to  
20 participate in other programs created in the bill.

21 PREFERENCE REQUIRED BY STATE ENTITIES PURCHASING FOOD.  
22 The bill requires that certain governmental entities provide  
23 a preference to a certified small farm operator when the  
24 government entity purchases food. The entities include the  
25 department of administrative services, commission for the  
26 blind, merged area schools, board of regents institutions,  
27 the state department of transportation, and the department of  
28 corrections.

29 IOWA STATE UNIVERSITY. The bill requires that the Iowa  
30 cooperative extension service in agriculture and home economics  
31 at Iowa state university develop and publish materials and  
32 sponsor events to assist small farm operators in increasing  
33 profitability.

34 INCOME TAX CREDIT. The bill requires the department of  
35 revenue to establish a tax credit for certified small farm

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1 operators selling vegetables or fruits to schools. The amount  
2 of the tax credit cannot exceed 50 percent of the purchase  
3 price paid by the school or \$10,000, whichever is less. The  
4 bill provides for a five-year carryover period. There is no  
5 carryback provision and the tax credit is nontransferable. The  
6 bill imposes a maximum limit of \$5 million that can be used to  
7 support the tax credit during any year.

8     PROPERTY TAX EXEMPTION. The bill provides that land which  
9 is a small farm operation owned or leased by a certified small  
10 farm operator is exempt from property taxes. The authority  
11 must send a copy of the certificate to the appropriate county  
12 assessor. The authority may decertify the small farm operator  
13 and send that notice to the county assessor as well.



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House File 2427 - Introduced

HOUSE FILE 2427  
BY COMMITTEE ON AGRICULTURE  
  
(SUCCESSOR TO HSB 524)

A BILL FOR

1 An Act relating to corn promotion, including special  
2 referendums, the assessment of a checkoff, and the creation  
3 of a task force, and making penalties applicable.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 185C.21, Code 2014, is amended to read  
2 as follows:

3 **185C.21 State assessment.**

4 1. The board shall determine and set the state assessment  
5 rate. State assessments collected pursuant to the promotional  
6 order shall be paid into the corn promotion fund established in  
7 section 185C.26. Except as provided in subsection 2, a state  
8 assessment shall not exceed one-quarter of one cent per bushel  
9 upon corn marketed in this state. ~~The board shall establish~~  
10 ~~the effective date of a rate change.~~

11 2. Upon request of the board, the secretary shall call  
12 a special referendum for producers to vote on whether to  
13 authorize an increase in the state assessment above one-quarter  
14 of one cent per bushel, notwithstanding subsection 1. The  
15 special referendum shall be conducted as provided in this  
16 chapter for referendum elections. However, the special  
17 referendum shall not affect the existence or length of the  
18 promotional order in effect. If a majority of the producers  
19 voting in the special referendum approve the increase, the  
20 board may increase the assessment to the amount approved in the  
21 special referendum. The board shall establish the effective  
22 date of a rate change. However, a state assessment shall not  
23 exceed ~~one cent per bushel of corn marketed in this state a~~  
24 scheduled maximum rate determined as follows:

25 a. Before September 1, 2014, one cent.

26 b. For each marketing year of the period beginning September  
27 1, 2014, and ending August 31, 2019, two cents.

28 c. For each marketing year beginning on and after September  
29 1, 2019, three cents.

30 Sec. 2. IOWA CORN CHECKOFF TASK FORCE.

31 1. An Iowa corn checkoff task force is created. The task  
32 force shall study all of the following:

33 a. The development and implementation of a system that  
34 allows eligible producers to cast mail ballots during a special  
35 referendum conducted pursuant to section 185C.21.

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- 1     b. An increase in refund awareness with first purchasers.  
2     2. The task force is composed of five voting members,  
3 including all of the following:  
4     a. The secretary of agriculture who shall serve as the  
5 chairperson.  
6     b. Two first purchasers, as defined in section 185C.1, who  
7 shall be appointed as follows:  
8       (1) One first purchaser appointed by the Iowa institute of  
9 cooperatives.  
10      (2) One first purchaser appointed by the agribusiness  
11 association of Iowa.  
12     c. Two producers, as defined in section 185C.1, who shall  
13 be appointed as follows:  
14      (1) One producer appointed by the Iowa corn growers  
15 association who shall be a member of the Iowa corn growers  
16 association.  
17      (2) One producer appointed by the Iowa farm bureau  
18 federation.  
19     3. The task force consists of four members of the general  
20 assembly who shall serve as ex officio, nonvoting members. The  
21 members shall be appointed as follows:  
22     a. Two members of the senate, one of whom shall be appointed  
23 by the majority leader of the senate and one of whom shall  
24 be appointed by the majority leader of the senate after  
25 consultation with the minority leader of the senate.  
26     b. Two members of the house of representatives, one of  
27 whom shall be appointed by the speaker of the house and one  
28 of whom shall be appointed by the speaker of the house after  
29 consultation with the minority leader of the house.  
30     4. a. The task force shall submit a report regarding its  
31 findings and recommendations to the secretary of agriculture  
32 not later than September 1, 2014.  
33     b. The task force is abolished on September 1, 2014.  
34

EXPLANATION

35     The inclusion of this explanation does not constitute agreement with

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1 the explanation's substance by the members of the general assembly.

2 GENERAL. This bill amends provisions in Code chapter 185C  
3 which authorizes the collection and expenditure of certain  
4 moneys referred to as a state assessment (assessment), or  
5 so-called "checkoff", which is collected on each bushel of corn  
6 marketed in this state. The assessment is collected when a  
7 corn producer (producer) sells the corn to a first purchaser.  
8 The first purchaser then remits the assessment to the Iowa corn  
9 promotion board which uses the collected moneys for purposes  
10 of promoting the marketing of corn and corn products and to  
11 provide for related education and research programs and a  
12 financial assistance program (Code sections 185C.11, 185C.11A,  
13 and 185C.26). The referendum is conducted by the secretary of  
14 agriculture (secretary).

15 BILL — INCREASE IN MAXIMUM RATE OF STATE ASSESSMENT. The  
16 bill increases the maximum rate of the assessment from one  
17 to three cents which must be approved by producers voting in  
18 future special referendums. However, the maximum rate cannot  
19 exceed an amount established according to a schedule based  
20 on a 12-month period referred to as a marketing year (from  
21 September 1 to August 31). The maximum rate existing during  
22 this marketing year (September 1, 2013 to August 31, 2014)  
23 must remain at one cent. The maximum rate for the next five  
24 marketing years (September 1, 2014 to August 31, 2019) cannot  
25 exceed two cents. The maximum rate for all future marketing  
26 years beginning September 1, 2019, cannot exceed three cents.

27 BILL — TASK FORCE. The bill creates an Iowa corn checkoff  
28 task force to study the development and implementation  
29 of a system that allows eligible producers to cast mail  
30 ballots during a special referendum, and an increase in  
31 refund awareness with first purchasers. The bill provides  
32 that the task force is to be composed of the secretary, two  
33 producers, and two first purchasers who are members of various  
34 associations representing producers and first purchasers. The  
35 task force also includes four members of the general assembly

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1 who serve as ex officio, nonvoting members. The task force  
2 must submit a report to the secretary by September 1, 2014, and  
3 on that day the task force is abolished.



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House File 2428 - Introduced

HOUSE FILE 2428  
BY COMMITTEE ON ECONOMIC  
GROWTH

(SUCCESSOR TO HSB 618)

A BILL FOR

1 An Act providing for the reorganization of the Code provisions  
2 relating to the Iowa finance authority, revising and  
3 eliminating programs, including the beginning farm loan  
4 program, providing for existing tax credits, providing  
5 for the powers and duties of the authority, and including  
6 effective date provisions.  
7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 DIVISION I  
2 REORGANIZATION OF THE IOWA FINANCE AUTHORITY  
3 GENERAL PROVISIONS  
4 Section 1. Section 16.1, subsection 1, paragraphs a, f, g,  
5 i, o, aa, ak, and al, Code 2014, are amended by striking the  
6 paragraphs.  
7 Sec. 2. Section 16.1, subsection 1, paragraphs d, n, p, and  
8 af, Code 2014, are amended to read as follows:  
9 d. "Bond" means a bond issued by the authority pursuant to  
10 ~~sections 16.26 to 16.30, this chapter~~ and includes a note or  
11 other instrument evidencing a debt authorized or referred to in  
12 this chapter.  
13 n. "Guiding principles" means the principles provided in  
14 ~~section 16.4 subchapter III~~ which shall be considered for  
15 amplification and interpretation of the goals of the authority.  
16 p. ~~(1)~~ "Housing" means single family and multifamily  
17 dwellings, and facilities incidental or appurtenant to the  
18 dwellings, and includes group homes of fifteen beds or less  
19 licensed as health care facilities or child foster care  
20 facilities and modular or mobile homes which are permanently  
21 affixed to a foundation and are assessed as realty.  
22 ~~(2) "Adequate housing" means housing which meets minimum~~  
23 ~~structural, heating, lighting, ventilation, sanitary,~~  
24 ~~occupancy, and maintenance standards compatible with applicable~~  
25 ~~building and housing codes, as determined under rules of the~~  
26 ~~authority.~~  
27 af. "Programs" "Program" means any program administered  
28 by the authority or any program in which the authority is  
29 directed or authorized to participate pursuant to any statute,  
30 executive order, or interagency agreement, or any other program  
31 participation or administration of which the authority finds  
32 useful and convenient to further the goals and purposes of the  
33 authority. ~~"Program" shall include but not be limited to all~~  
34 ~~of the following:~~  
35 ~~(1) The housing assistance payments program.~~

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1     ~~(2) The rent supplements program.~~  
2     ~~(3) The emergency housing fund program.~~  
3     ~~(4) The special housing assistance program.~~  
4     ~~(5) The single-family housing program.~~  
5     ~~(6) The multifamily housing program.~~  
6     ~~(7) The title guaranty program.~~  
7     ~~(8) The housing improvement fund program.~~  
8     ~~(9) The economic development loan program.~~  
9     ~~(10) The Iowa economic development bond bank program.~~  
10    ~~(11) The sewage treatment and drinking facilities financing~~  
11 ~~program.~~  
12    ~~(12) The Iowa tank assistance bond program.~~  
13    ~~(13) The residential treatment facilities program.~~  
14    ~~(14) The E-911 program.~~  
15    ~~(15) The community college dormitory program.~~  
16    ~~(16) The prison infrastructure program.~~  
17    ~~(17) The wastewater treatment financial assistance program.~~  
18    ~~(18) Any other program established by the authority which~~  
19 ~~the authority finds useful and convenient to further goals of~~  
20 ~~the authority and which is consistent with the legislative~~  
21 ~~findings. Such additional programs shall be administered in~~  
22 ~~accordance with the guiding principles of the authority after~~  
23 ~~such notice and hearing as is determined to be reasonable~~  
24 ~~by the authority under the circumstances. Such additional~~  
25 ~~programs shall be administered in accordance with rules, if~~  
26 ~~any, which the authority determines useful and convenient to~~  
27 ~~adopt pursuant to chapter 17A.~~  
28    Sec. 3. Section 16.1, subsection 1, Code 2014, is amended by  
29 adding the following new paragraphs:  
30    NEW PARAGRAPH. *0a. "Adequate housing" means housing which*  
31 *meets minimum structural, heating, lighting, ventilation,*  
32 *sanitary, occupancy, and maintenance standards compatible with*  
33 *applicable building and housing codes, as determined under*  
34 *rules of the authority.*  
35    NEW PARAGRAPH. *0g. "Depreciable property" means personal*

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1 property for which an income tax deduction for depreciation is  
2 allowable in computing federal income tax under the Internal  
3 Revenue Code as defined in section 422.3.

4 NEW PARAGRAPH. *Op.* "*Historic properties*" means landmarks,  
5 landmark sites, or districts which are significant in the  
6 history, architecture, archaeology, or culture of this state,  
7 its communities, or the nation.

8 NEW PARAGRAPH. *Or.* (1) "*Lending institution*" means  
9 any bank, trust company, mortgage company, national banking  
10 association, federal savings association, or life insurance  
11 company; any state or federal governmental agency or  
12 instrumentality; the federal land bank or any of its local  
13 associations; or any other institution authorized to make loans  
14 in this state.

15 (2) "*Lending institution*" includes a financial institution  
16 as defined in section 496B.2, which lends moneys for farming  
17 purposes as provided in subchapter VIII, or for industrial or  
18 business purposes.

19 NEW PARAGRAPH. *Oac.* "*Net worth*" means a person's total  
20 assets minus total liabilities as determined in accordance  
21 with generally accepted accounting principles with appropriate  
22 exceptions and exemptions reasonably related to an equitable  
23 determination of a person's net worth. Assets shall be valued  
24 at fair market value.

25 NEW PARAGRAPH. *Oaj.* "*Secured loan*" means a financial  
26 obligation secured by a chattel mortgage, security agreement,  
27 or other instrument creating a lien on an interest in  
28 depreciable property.

29 NEW PARAGRAPH. *an.* "*Veteran*" means the same as defined in  
30 section 35.1.

31 Sec. 4. Section 16.1, subsection 2, Code 2014, is amended by  
32 striking the subsection.

33 Sec. 5. Section 16.1A, Code 2014, is amended to read as  
34 follows:

35 **16.1A Creation — administration of programs.**

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1     1. The Iowa finance authority is created, and constitutes  
2 a public instrumentality and agency of the state exercising  
3 public and essential governmental functions.  
4     2. The authority shall undertake and administer all of the  
5 following:  
6     a. Programs established under this chapter ~~to assist in~~  
7 ~~attainment of adequate housing for low- or moderate-income~~  
8 ~~families, elderly families, and families which include one or~~  
9 ~~more persons with disabilities, and to undertake the various~~  
10 ~~finance programs under this chapter.~~  
11     b. Programs ~~which assist qualified farmers or agricultural~~  
12 ~~producers, including beginning farmers, as provided in chapter~~  
13 ~~175 established by the authority which the authority finds~~  
14 useful and convenient to further goals of the authority and  
15 which is consistent with the legislative findings. Such  
16 programs shall be administered in accordance with the guiding  
17 principles of the authority after such notice and hearing as  
18 is determined to be reasonable by the authority under the  
19 circumstances. Such additional programs shall be administered  
20 in accordance with rules, if any, which the authority  
21 determines useful and convenient to adopt pursuant to chapter  
22 17A.  
23     3. The Iowa finance authority board of directors shall  
24 have general control, supervision, and regulation of all  
25 ~~authority programs established under this chapter and chapter~~  
26 ~~175 described in this section.~~  
27     4. The authority is charged with the broad administrative  
28 authority to make, administer, interpret, construe, repeal, and  
29 execute the rules, and to administer, interpret, construe, and  
30 execute the laws of this state relating to such programs.  
31     5. The board may, by resolution, delegate to the  
32 agricultural development board, title guaranty division  
33 board, executive director, or other authority employee such  
34 of its powers, under such terms and conditions, as it deems  
35 appropriate.



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1 Sec. 6. Section 16.2, subsection 9, Code 2014, is amended by  
2 striking the subsection.

3 Sec. 7. Section 16.2A, subsection 1, Code 2014, is amended  
4 to read as follows:

5 1. A title guaranty division is created within the  
6 authority. The powers of the division relating to the issuance  
7 of title guaranties are vested in and shall be exercised by  
8 a division board of five members appointed by the governor  
9 subject to confirmation by the senate. The membership of  
10 the board shall include an attorney, an abstractor, a real  
11 estate broker, a representative of a ~~mortgage lender~~ lending  
12 institution, and a representative of the housing development  
13 industry. The executive director of the authority shall  
14 appoint an attorney as director of the title guaranty division,  
15 who shall serve as an ex officio member of the board. The  
16 appointment of and compensation for the division director  
17 are exempt from the merit system provisions of chapter 8A,  
18 subchapter IV.

19 Sec. 8. **NEW SECTION. 16.2B Agricultural development**  
20 **division — administration of programs.**

21 1. An agricultural development division is created  
22 within the authority. The agricultural development division  
23 shall administer subchapter VIII, by providing assistance  
24 to beginning farmers, agricultural producers, displaced  
25 farmers, or other persons qualifying for such assistance under  
26 subchapter VIII.

27 2. The agricultural development division shall be  
28 administered in accordance with the policies of the  
29 agricultural development board created in section 16.2C.  
30 The executive director of the authority may organize the  
31 agricultural development division and employ necessary  
32 qualified personnel to administer subchapter VIII.

33 3. The agricultural development division shall, to  
34 every extent practical, assist such persons to do all of the  
35 following:

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1     *a.* Acquire agricultural land, agricultural improvements,  
2 or depreciable agricultural property, including as provided in  
3 subchapter VIII.

4     *b.* Obtain agricultural assets transfer tax credits,  
5 including by issuing tax credit certificates pursuant to  
6 subchapter VIII, part 5.

7     *c.* Obtain financing for other capital requirements or  
8 operating expenses.

9     4. The net earnings of the agricultural development  
10 division, beyond that necessary for retirement of its notes,  
11 bonds, or other obligations or to implement the public purposes  
12 and programs authorized in subchapter VIII, shall not inure to  
13 the benefit of any person other than the state.

14     5. *a.* At least two of the authority's full-time equivalent  
15 positions, as defined in section 8.36A, shall be entirely  
16 dedicated to administering programs established pursuant to  
17 subchapter VIII. One of those full-time equivalent positions  
18 shall be dedicated to overseeing the administration of those  
19 programs, and to the extent that the programs are affected, the  
20 full-time equivalent position shall be provided the powers and  
21 duties necessary to do all of the following:

22         (1) Participate in making managerial decisions.

23         (2) Provide for outreach and promotion.

24         (3) Improve delivery of services.

25     *b.* This subsection is repealed on July 1, 2015.

26     Sec. 9. NEW SECTION. **16.2C Agricultural development board.**

27     1. The powers of the agricultural development division,  
28 created within the Iowa finance authority under section 16.2B,  
29 are vested in and shall be exercised by the agricultural  
30 development board as provided in section 16.2B and this  
31 section.

32     2. The agricultural development board is created to  
33 exercise all powers and perform all duties necessary to  
34 administer subchapter VIII according to policies established  
35 by the Iowa finance authority. The authority shall establish

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1 policies and practices for the division and oversee its  
2 operations. The authority may review or approve decisions  
3 affecting the division or administration of subchapter VIII,  
4 including decisions of the agricultural development board.

5 3. The agricultural development board consists of five  
6 members appointed by the governor subject to confirmation  
7 by the senate. The executive director of the Iowa finance  
8 authority or the executive director's designee shall serve as  
9 an ex officio, nonvoting member.

10 4. The appointed members of the agricultural development  
11 board shall be appointed and retained in office as follows:

12 a. Not more than three members shall belong to the same  
13 political party.

14 b. As far as possible, the governor shall include within  
15 the membership persons who represent lending institutions  
16 experienced in agricultural lending, real estate sales,  
17 farmers, beginning farmers, average taxpayers, local  
18 government, soil and water conservation district officials,  
19 agricultural educators, and other persons specially interested  
20 in family farm development.

21 c. Members shall serve for staggered terms of six years  
22 beginning and ending as provided in section 69.19. A person  
23 appointed to fill a vacancy shall serve only for the unexpired  
24 portion of the member's term. A member is eligible for  
25 reappointment. An appointed member may be removed from office  
26 by the governor for misfeasance, malfeasance, willful neglect  
27 of duty, or other just cause, after notice and hearing, unless  
28 the notice and hearing is expressly waived in writing.

29 5. The agricultural development board shall conduct  
30 business according to all of the following:

31 a. Three appointed members constitute a quorum and the  
32 affirmative vote of a majority of the appointed members is  
33 necessary for any substantive action taken by the board. A  
34 majority of appointed members shall not include any member who  
35 has a conflict of interest and a statement by a member that

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1 the member has a conflict of interest is conclusive for this  
2 purpose. A vacancy in the membership does not impair the right  
3 of a quorum to exercise all rights and perform all duties of  
4 the board.

5 *b.* Meetings of the board shall be held at the call of the  
6 chairperson or whenever two appointed members so request.

7 *c.* The appointed members shall elect a chairperson and vice  
8 chairperson annually, and other officers as they determine.

9 The executive director of the Iowa finance authority or the  
10 executive director's designee shall serve as secretary to the  
11 board.

12 6. An appointed member of the agricultural development  
13 board is entitled to receive a per diem as specified in section  
14 7E.6 for each day spent in performance of duties as a member,  
15 and shall be reimbursed for all actual and necessary expenses  
16 incurred in the performance of duties as a member.

17 7. An appointed member of the agricultural development  
18 board shall give bond as required for public officers in  
19 chapter 64.

20 Sec. 10. NEW SECTION. 16.2D Council on homelessness.

21 1. A council on homelessness is established consisting of  
22 thirty-eight voting members. At least one voting member at all  
23 times shall be a member of a minority group.

24 2. Members of the council shall consist of all of the  
25 following:

26 *a.* Twenty-six members of the general public appointed to  
27 two-year staggered terms by the governor in consultation with  
28 the nominating committee under subsection 4, paragraph "a".

29 (1) Voting members from the general public may include  
30 but are not limited to the following types of individuals  
31 and representatives of the following programs: homeless or  
32 formerly homeless individuals and their family members, youth  
33 shelters, faith-based organizations, local homeless service  
34 providers, emergency shelters, transitional housing providers,  
35 family and domestic violence shelters, private business, local

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1 government, and community-based organizations.

2 (2) Five of the twenty-six voting members selected from the  
3 general public shall be individuals who are homeless, formerly  
4 homeless, or family members of homeless or formerly homeless  
5 individuals.

6 (3) One of the twenty-six members selected from the general  
7 public shall be a representative of the Iowa state association  
8 of counties.

9 (4) One of the twenty-six members selected from the general  
10 public shall be a representative of the Iowa league of cities.

11 b. Twelve agency director members consisting of all of the  
12 following:

13 (1) The director of the department of education or the  
14 director's designee.

15 (2) The director of the economic development authority or  
16 the director's designee.

17 (3) The director of human services or the director's  
18 designee.

19 (4) The attorney general or the attorney general's  
20 designee.

21 (5) The director of the department of human rights or the  
22 director's designee.

23 (6) The director of public health or the director's  
24 designee.

25 (7) The director of the department on aging or the  
26 director's designee.

27 (8) The director of the department of corrections or the  
28 director's designee.

29 (9) The director of the department of workforce development  
30 or the director's designee.

31 (10) The director of the department of public safety or the  
32 director's designee.

33 (11) The director of the department of veterans affairs or  
34 the director's designee.

35 (12) The executive director of the Iowa finance authority or



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1 the executive director's designee.

2 3. An agency director's designee may vote on council matters  
3 in the absence of the director.

4 4. a. A nominating committee initially comprised of all  
5 twelve agency director members shall nominate persons to  
6 the governor to fill the general public member positions.  
7 Following appointment of all twenty-six general public members,  
8 the composition of the nominating committee may be modified by  
9 rule.

10 b. The council may establish other committees and  
11 subcommittees comprised of members of the council.

12 5. A vacancy on the council shall be filled in the same  
13 manner as the original appointment. A member appointed to fill  
14 a vacancy created other than by expiration of a term shall be  
15 appointed for the remainder of the unexpired term.

16 6. a. A majority of the members of the council constitutes  
17 a quorum. Any action taken by the council must be adopted by  
18 the affirmative vote of a majority of its membership.

19 b. The council shall elect a chairperson and vice  
20 chairperson from the membership of the council. The  
21 chairperson and vice chairperson shall each serve two-year  
22 terms. The positions of chairperson and vice chairperson shall  
23 not be held by members who are both either general public  
24 members or agency directors. The position of chairperson shall  
25 rotate between agency director members and general public  
26 members.

27 c. The council shall meet at least six times per year.  
28 Meetings of the council may be called by the chairperson or by  
29 a majority of the members.

30 d. General public members shall be reimbursed by the Iowa  
31 finance authority for actual and necessary expenses incurred  
32 while engaged in their official duties.

33 7. The Iowa finance authority shall provide staff  
34 assistance and administrative support to the council.

35 8. The duties of the council shall include but are not

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1 limited to the following:

2     *a.* Develop a process for evaluating state policies,  
3 programs, statutes, and rules to determine whether any state  
4 policies, programs, statutes, or rules should be revised to  
5 help prevent and alleviate homelessness.

6     *b.* Evaluate whether state agency resources could be more  
7 efficiently coordinated with other state agencies to prevent  
8 and alleviate homelessness.

9     *c.* Work to develop a coordinated and seamless service  
10 delivery system to prevent and alleviate homelessness.

11     *d.* Use existing resources to identify and prioritize efforts  
12 to prevent persons from becoming homeless and to eliminate  
13 factors that keep people homeless.

14     *e.* Identify and use federal and other funding opportunities  
15 to address and reduce homelessness within the state.

16     *f.* Work to identify causes and effects of homelessness and  
17 increase awareness among policymakers and the general public.

18     *g.* Advise the governor's office, the Iowa finance authority,  
19 state agencies, and private organizations on strategies to  
20 prevent and eliminate homelessness.

21     9. *a.* The council shall make annual recommendations to  
22 the governor regarding matters which impact homelessness on or  
23 before September 15.

24     *b.* The council shall prepare and file with the governor and  
25 the general assembly on or before the first day of December in  
26 each odd-numbered year, a report on homelessness in Iowa.

27     *c.* The council shall assist in the completion of the state's  
28 continuum of care application to the United States department  
29 of housing and urban development.

30     10. *a.* The Iowa finance authority, in consultation with the  
31 council, shall adopt rules pursuant to chapter 17A for carrying  
32 out the duties of the council pursuant to this section.

33     *b.* The council shall establish internal rules of procedure  
34 consistent with the provisions of this section.

35     *c.* Rules adopted or internal rules of procedure established

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1 pursuant to paragraph "a" or "b" shall be consistent with the  
2 requirements of the federal McKinney-Vento Homeless Assistance  
3 Act, 42 U.S.C. §11301 et seq.

4 11. The council shall comply with the requirements of  
5 chapters 21 and 22. The Iowa finance authority shall be the  
6 official repository of council records.

7 Sec. 11. NEW SECTION. 16.2E Legislative findings —  
8 general.

9 The general assembly finds and declares all of the  
10 following:

11 1. The establishment of the authority is in all respects  
12 for the benefit of the people of the state of Iowa, for the  
13 improvement of their health and welfare, and for the promotion  
14 of the economy, which are public purposes.

15 2. The authority will be performing an essential  
16 governmental function in the exercise of the powers and duties  
17 conferred upon it by this chapter.

18 3. All of the purposes stated in this section are public  
19 purposes and uses for which public moneys may be borrowed,  
20 expended, advanced, loaned, or granted.

21 Sec. 12. Section 16.3, subsections 1, 2, 14, 15, 16, 17, and  
22 18, Code 2014, are amended by striking the subsections.

23 Sec. 13. Section 16.4, subsection 7, Code 2014, is amended  
24 to read as follows:

25 7. The authority shall encourage the protection,  
26 restoration and rehabilitation of historic properties, and  
27 the preservation of other properties of special value for  
28 architectural or esthetic reasons. ~~As used in this subsection,~~  
29 ~~"historic properties" means landmarks, landmark sites, or~~  
30 ~~districts which are significant in the history, architecture,~~  
31 ~~archaeology, or culture of this state, its communities, or the~~  
32 ~~nation.~~

33 Sec. 14. NEW SECTION. 16.4A Legislative findings —  
34 agricultural development.

35 The general assembly finds and declares all of the

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1 following:

2 1. There exists a serious problem in this state regarding  
3 the ability of nonestablished farmers to acquire agricultural  
4 land and agricultural improvements and depreciable agricultural  
5 property in order to enter farming.

6 2. This barrier to entry into farming is conducive to  
7 consolidation of acreage of agricultural land with fewer  
8 individuals resulting in a grave threat to the traditional  
9 family farm.

10 3. These conditions result in a loss in population,  
11 unemployment, and a movement of persons from rural communities  
12 to urban areas accompanied by added costs to communities for  
13 creation of new public facilities and services.

14 4. One major cause of this condition has been recurrent  
15 shortages of funds in private channels and the high interest  
16 cost of borrowing.

17 5. These shortages and costs have made the sale and  
18 purchase of agricultural land to beginning farmers a virtual  
19 impossibility in many parts of the state.

20 6. The ordinary operations of private enterprise have not in  
21 the past corrected these conditions.

22 7. A stable supply of adequate funds for agricultural  
23 financing is required to encourage beginning farmers in  
24 an orderly and sustained manner and to reduce the problems  
25 described in this section.

26 8. Article IX, 2nd subarticle, section 3, of the  
27 Constitution of the State of Iowa requires that, "The  
28 General Assembly shall encourage, by all suitable means, the  
29 promotion of intellectual, scientific, moral, and agricultural  
30 improvement," and agricultural improvement and the public good  
31 are served by a policy of facilitating access to capital by  
32 beginning farmers unable to obtain capital elsewhere in order  
33 to preserve, encourage, and protect the family farm which has  
34 been the economic, political, and social backbone of rural  
35 Iowa.

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1 9. It is necessary to create a program to encourage  
2 ownership of farms by beginning farmers by providing purchase  
3 money loans to beginning farmers who are not able to obtain  
4 adequate capital elsewhere to provide such funds and to lower  
5 costs through the use of public financing.

6 10. All of the purposes stated in this section are public  
7 purposes and uses for which public moneys may be borrowed,  
8 expended, advanced, loaned, or granted.

9 11. There exists a serious problem in this state regarding  
10 the ability of farmers to obtain affordable operating loans for  
11 reasonable and necessary expenses and cash flow requirements  
12 of farming.

13 12. Farming is one of the principal pursuits of the  
14 inhabitants of this state. Many other industries and pursuits,  
15 in turn, are wholly dependent upon farming.

16 13. The inability of farmers to obtain affordable operating  
17 loans is conducive to a general decline of the economy in this  
18 state.

19 14. A serious problem continues to exist in this state  
20 regarding the ability of agricultural producers to obtain,  
21 retain, restructure, or service loans or other financing on  
22 a reasonable and affordable basis for operating expenses,  
23 cash flow requirements, and capital asset acquisition or  
24 maintenance.

25 15. Because the Iowa economy is dependent upon the  
26 production and marketing of agricultural produce, the inability  
27 of agricultural producers to obtain, retain, restructure,  
28 or service loans or other financing on a reasonable and  
29 an affordable basis for operating expenses, cash flow  
30 requirements, or capital asset acquisition or maintenance  
31 contributes to a general decline of the state's economy.

32 Sec. 15. NEW SECTION. 16.4B Guiding principles —  
33 agricultural development.

34 In the performance of its duties, implementation of its  
35 powers, and selection of specific programs and projects to

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1 receive its assistance under subchapter VIII, the authority  
2 shall be guided by the following principles:

3 1. The authority shall not become an owner of real or  
4 depreciable property, except on a temporary basis where  
5 necessary in order to implement its programs, to protect its  
6 investments by means of foreclosure or other means, or to  
7 facilitate transfer of real or depreciable property for the use  
8 of beginning farmers.

9 2. The authority shall exercise diligence and care in  
10 selection of projects to receive its assistance and shall apply  
11 customary and acceptable business and lending standards in  
12 selection and subsequent implementation of the projects. The  
13 authority may delegate primary responsibility for determination  
14 and implementation of the projects to any federal governmental  
15 agency which assumes any obligation to repay the loan, either  
16 directly or by insurance or guaranty.

17 3. The authority shall establish a beginning farmer  
18 loan program to aid beginning farmers in the acquisition of  
19 agricultural land and improvements and depreciable agricultural  
20 property.

21 4. The authority shall develop programs for providing  
22 financial assistance to agricultural producers in this state.

23 Sec. 16. NEW SECTION. 16.4C Legislative findings — title  
24 guaranty.

25 The general assembly finds and declares that the abstract  
26 attorney's title opinion system promotes land title stability  
27 for determining the marketability of land titles and is a  
28 public purpose. A public purpose will be served by providing,  
29 as an adjunct to the abstract attorney's title opinion system,  
30 a low-cost mechanism to provide for additional guaranties  
31 of real property titles in Iowa. The title guaranties will  
32 facilitate mortgage lenders' participation in the secondary  
33 market and add to the integrity of the land-title transfer  
34 system in the state.

35 Sec. 17. NEW SECTION. 16.4D Legislative findings —

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1 economic development.

2 The general assembly finds and declares all of the  
3 following:

4 1. Economic development and expansion of business,  
5 industry, and farming in the state is dependent upon the  
6 availability of financing of the development and expansion at  
7 affordable interest rates.

8 2. The pooling of private financing enhances the  
9 marketability of the obligations involved and increases access  
10 to other state, regional, and national credit markets.

11 3. The creation of an economic development program as  
12 provided in section 16.102 will make the pooling of private  
13 financing available to small businesses, farmers, agricultural  
14 landowners and operators, and commercial, industrial, and other  
15 business enterprises at favorable interest rates with reduced  
16 marketing costs.

17 Sec. 18. Section 16.5, subsection 1, paragraph p, Code 2014,  
18 is amended to read as follows:

19 p. Through the Iowa title guaranty division, make and issue  
20 title guaranties on Iowa real property in a form acceptable  
21 to the secondary market, to fix and collect the charges for  
22 the guaranties and to procure reinsurance against any loss in  
23 connection with the guaranties.

24 Sec. 19. Section 16.5C, subsections 6 and 8, Code 2014, are  
25 amended to read as follows:

26 6. Renegotiate a mortgage loan or loan to a ~~mortgage lender~~  
27 lending institution in default; waive a default or consent to  
28 the modification of the terms of a mortgage loan or a loan to a  
29 ~~mortgage lender~~ lending institution; forgive or forbear all or  
30 part of a mortgage loan or a loan to a ~~mortgage lender~~ lending  
31 institution; and commence, prosecute, and enforce a judgment  
32 in any action, including but not limited to a foreclosure  
33 action, to protect or enforce any right conferred upon the  
34 authority by law, mortgage loan agreement, contract, or other  
35 agreement, and in connection with any such action, bid for and

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1 purchase the property or acquire or take possession of it,  
2 complete, administer, and pay the principal of and interest on  
3 any obligations incurred in connection with the property, and  
4 dispose of and otherwise deal with the property in a manner as  
5 the authority deems advisable to protect its interests.  
6 8. Purchase, and make advance commitments to purchase,  
7 residential mortgage loans from ~~mortgage lenders~~ lending  
8 institutions at prices and upon terms and conditions it  
9 determines consistent with its goals and legislative findings.  
10 However, the total purchase price for all residential  
11 mortgage loans which the authority commits to purchase from  
12 a ~~mortgage lender~~ lending institution at any one time shall  
13 not exceed the total of the unpaid principal balances of the  
14 residential mortgage loans purchased. ~~Mortgage lenders~~ Lending  
15 institutions are authorized to sell residential mortgage loans  
16 to the authority in accordance with this section and the rules  
17 of the authority. The authority may charge a ~~mortgage lender~~  
18 lending institution a commitment fee or other fees as set by  
19 rule as a condition for the authority purchasing residential  
20 mortgage loans.  
21 Sec. 20. NEW SECTION. 16.5D Specific powers and duties —  
22 agricultural development.  
23 The authority has all of the general and specific powers  
24 needed to carry out its purposes and duties as provided in  
25 this subchapter, and to exercise its specific powers under  
26 subchapter VIII.  
27 Sec. 21. Section 16.7, Code 2014, is amended to read as  
28 follows:  
29 16.7 Annual report.  
30 1. The authority shall submit to the governor and to the  
31 general assembly, not later than January 15 each year, ~~a~~ an  
32 annual report.  
33 2. A complete report shall include at least three parts  
34 which include all of the following:  
35 a. A general description of the authority setting forth:

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1     ~~a.~~ (1) Its operations and accomplishments.  
2     ~~b.~~ (2) Its receipts and expenditures during the fiscal  
3 year, in accordance with the classifications it establishes for  
4 its operating and capital accounts.  
5     ~~c.~~ (3) Its assets and liabilities at the end of its fiscal  
6 year and the status of reserve, special, and other funds.  
7     ~~d.~~ (4) A schedule of its bonds and notes outstanding at  
8 the end of its fiscal year, together with a statement of the  
9 amounts redeemed and issued during its fiscal year.  
10    ~~e.~~ (5) A statement of its proposed and projected  
11 activities.  
12    ~~f.~~ (6) Recommendations to the general assembly, as it deems  
13 necessary.  
14    ~~g.~~ ~~An analysis of current housing needs in the state.~~  
15    ~~2.~~ ~~The annual report shall identify performance~~  
16    (7) Performance goals of the authority, and clearly  
17 indicate indicating the extent of progress during the reporting  
18 period, in attaining the goals.  
19    b. A summary of housing programs administered under this  
20 chapter. The summary shall include an analysis of current  
21 housing needs in this state. Where possible, results shall be  
22 expressed in terms of housing units.  
23    c. A summary of agricultural development programs  
24 administered under subchapter VIII. Where possible, findings  
25 and results shall be expressed in terms of number of loans, tax  
26 credits, participating qualified beginning farmers, and acres  
27 of agricultural land, including by county.  
28    Sec. 22. Section 16.9, Code 2014, is amended to read as  
29 follows:  
30    **16.9 Nondiscrimination and affirmative action.**  
31    1. In administering housing programs under this chapter,  
32 all of the following shall apply:  
33    a. Housing financed or otherwise assisted by the authority,  
34 directly or indirectly, shall be open to all persons regardless  
35 of race, creed, color, sex, national origin, age, physical or

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1 mental impairment, or religion except that preference may be  
2 given to elderly families, families which include one or more  
3 persons with disabilities, lower income families, or very low  
4 income families.

5 ~~2-~~ b. The authority shall promote marketing plans to make  
6 housing available to all persons without discrimination.

7 ~~3-~~ c. The authority shall require adoption and submission  
8 of an affirmative action program for employment by all  
9 contractors and subcontractors of housing financed or otherwise  
10 assisted by the authority.

11 ~~4-~~ d. The authority shall require all ~~mortgage lenders who~~  
12 lending institutions which participate in programs financed  
13 or otherwise assisted by ~~it~~ the authority to agree that they  
14 will not designate certain areas as unsuitable for the making  
15 of mortgage loans because of the prevailing income, racial,  
16 ethnic, or other characteristics of the inhabitants of the  
17 area. This ~~subsection~~ paragraph is intended to prohibit all  
18 ~~mortgage lenders who~~ lending institutions which participate in  
19 authority programs from engaging in the practice commonly known  
20 as "~~redlining~~" redlining.

21 ~~5-~~ e. The authority may require ~~mortgage lenders who~~  
22 lending institutions which participate in programs financed or  
23 otherwise assisted by the authority to take affirmative action  
24 to make mortgage loans in areas with a higher than average  
25 concentration of lower income families or members of racial or  
26 ethnic minorities.

27 2. In administering agricultural development programs under  
28 subchapter VIII, all of the following apply:

29 a. The opportunity to acquire agricultural land and  
30 agricultural improvements and depreciable agricultural property  
31 financed or otherwise assisted by the authority, directly or  
32 indirectly, shall be open to all persons regardless of race,  
33 creed, color, sex, national origin, age, physical or mental  
34 impairment, or religion.

35 b. The authority shall promote marketing plans for its

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1 programs under subchapter VIII.

2 Sec. 23. NEW SECTION. 16.11 Assistance by state officers,  
3 agencies, and departments.

4 State officers and state departments and agencies may render  
5 services to the authority within their respective functions as  
6 requested by the authority.

7 Sec. 24. NEW SECTION. 16.13 Conflicts of interest.

8 1. a. If a member or employee of the authority other than  
9 the executive director of the authority has an interest, either  
10 direct or indirect, in a contract to which the authority is,  
11 or is to be, a party, or in a mortgage lender requesting a loan  
12 from, or offering to sell mortgage loans to, the authority,  
13 the interest shall be disclosed to the authority in writing  
14 and shall be set forth in the minutes of the authority. The  
15 member or employee having the interest shall not participate  
16 in any action of the authority with respect to that contract  
17 or mortgage lender.

18 b. A violation of a provision of this subsection is  
19 misconduct in office under section 721.2. However, a  
20 resolution of the authority is not invalid because of a vote  
21 cast by a member in violation of this subsection unless the  
22 vote was decisive in the passage of the resolution.

23 c. For the purposes of this subsection, "*action of the*  
24 *authority with respect to that contract or mortgage lender*"  
25 means only an action directly affecting a separate contract or  
26 mortgage lender, and does not include an action which benefits  
27 the general public or which affects all or a substantial  
28 portion of the contracts or mortgage lenders included in a  
29 program of the authority.

30 2. Nothing in this section shall be deemed to limit the  
31 right of a member, officer, or employee of the authority to  
32 acquire an interest in bonds or notes of the authority or to  
33 limit the right of a member, officer, or employee other than  
34 the executive director to have an interest in a financial  
35 institution, including a lending institution, in which the

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1 funds of the authority are, or are to be, deposited or which  
2 is, or is to be, acting as trustee or paying agent under a trust  
3 indenture to which the authority is a party.

4 3. The executive director shall not have an interest in  
5 a financial institution, including a lending institution, in  
6 which the funds of the authority are, or are to be, deposited  
7 or which is, or is to be, acting as trustee or paying agent  
8 under a trust indenture to which the authority is a party. The  
9 executive director shall not receive, in addition to fixed  
10 salary or compensation, any money or valuable thing, either  
11 directly or indirectly, or through any substantial interest  
12 in any other corporation or business unit, for negotiating,  
13 procuring, recommending, or aiding in any purchase or sale  
14 of property, or loan, made by the authority, nor shall the  
15 executive director be pecuniarily interested, either as  
16 principal, coprincipal, agent, or beneficiary, either directly  
17 or indirectly, or through any substantial interest in any other  
18 corporation or business unit, in any such purchase, sale, or  
19 loan.

20 Sec. 25. NEW SECTION. 16.16 Liability.

21 1. A member of the authority, or a person acting on behalf  
22 of the authority while acting within the scope of the member's  
23 or person's agency or employment, is not subject to personal  
24 liability resulting from carrying out the powers and duties in  
25 this chapter.

26 2. The United States and the secretary of agriculture of  
27 the United States are not subject to liability by virtue of the  
28 transfer of the assets to the authority under this chapter.

29 3. The treasurer of state shall not be subject to personal  
30 liability resulting from carrying out the powers and duties  
31 of the authority or the treasurer of state, as applicable, in  
32 subchapter X, part 15.

33 Sec. 26. NEW SECTION. 16.17 Further definitions.

34 The authority may establish by rule further definitions  
35 applicable to this chapter, and clarification of the

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1 definitions in this chapter, as it deems convenient and  
2 necessary to carry out the public purposes of this chapter  
3 including all the following:

4 1. Any rules necessary to assure eligibility for funds  
5 available under federal housing laws, or to assure compliance  
6 with federal tax laws relating to the issuance of tax exempt  
7 bonds pursuant to the Internal Revenue Code or relating to the  
8 allowance of low-income credits under Internal Revenue Code  
9 §42.

10 2. Any rule as necessary to assure eligibility for funds,  
11 insurance, or guaranties available under federal laws and to  
12 carry out the public purposes of subchapter VIII.

13 Sec. 27. NEW SECTION. 16.18 **Inconsistent provisions.**

14 This chapter takes precedence over any conflicting  
15 provisions contained in section 535.8, subsection 2, with  
16 respect to the use or enforcement of a due-on-sale or similar  
17 clause in a mortgage loan agreement, and takes precedence over  
18 any conflicting provisions contained in laws enacted after  
19 July 1, 1981, with respect to the use or enforcement of a  
20 due-on-sale or similar clause in a mortgage loan agreement  
21 unless those laws expressly provide that they take precedence  
22 over this chapter.

23 Sec. 28. NEW SECTION. 16.19 **Liberal interpretation.**

24 This chapter, being necessary for the welfare of this state  
25 and its inhabitants, shall be liberally construed to effect its  
26 purposes.

27 Sec. 29. NEW SECTION. 16.22 **Application of funds from sales**  
28 **of obligations.**

29 All moneys received by or on behalf of the authority, whether  
30 as proceeds from the sale of obligations or as revenues, are  
31 trust funds to be held and applied solely for the purposes  
32 specified in the appropriation, bond resolution, or other  
33 document authorizing receipt of the moneys by the authority.  
34 A person with which the moneys are deposited shall act as  
35 trustee of the moneys and shall hold and apply the moneys for

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1 the purposes specified in this chapter subject to limitations  
2 specified in this chapter and in the bond resolution  
3 authorizing the issuance of the obligations.

4 Sec. 30. Section 16.26, subsection 4, paragraph a, Code  
5 2014, is amended to read as follows:

6 a. State the date and series of the issue, ~~be consecutively~~  
7 ~~numbered~~, and state ~~on their face~~ that they are payable both  
8 as to principal and interest solely out of the assets of the  
9 authority and do not constitute an indebtedness of this state  
10 or any political subdivision of this state other than the  
11 authority within the meaning of any constitutional or statutory  
12 debt limit.

13 Sec. 31. Section 16.26, subsections 5 and 6, Code 2014, are  
14 amended to read as follows:

15 5. The authority may issue its bonds for the purpose of  
16 refunding any bonds or notes ~~of the authority~~ then outstanding,  
17 including the payment of any redemption premiums thereon and  
18 any interest accrued or to accrue to the date of redemption  
19 of the outstanding bonds or notes. Until the proceeds  
20 of bonds issued for the purpose of refunding outstanding  
21 bonds or notes are applied to the purchase or retirement of  
22 outstanding bonds or notes or the redemption of outstanding  
23 bonds or notes, the proceeds may be placed in escrow and be  
24 invested and reinvested in accordance with the provisions of  
25 this chapter. The interest, income, and profits earned or  
26 realized on an investment may also be applied to the payment  
27 of the outstanding bonds or notes to be refunded by purchase,  
28 retirement, or redemption. After the terms of the escrow have  
29 been fully satisfied and carried out, any balance of proceeds  
30 and interest earned or realized on the investments may be  
31 returned to the authority for use by it in any lawful manner.  
32 All refunding bonds shall be issued and secured and subject to  
33 the provisions of this chapter in the same manner and to the  
34 same extent as other bonds issued pursuant to this chapter.

35 6. The authority may issue negotiable bond anticipation

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1 notes and may renew them from time to time but the maximum  
2 maturity of the notes, including renewals, shall not exceed  
3 ten years from the date of issue of the original notes. ~~Notes~~  
4 Bond anticipation notes are payable from any available moneys  
5 of the authority not otherwise pledged, or from the proceeds  
6 of the sale of bonds of the authority in anticipation of  
7 which the bond anticipation notes were issued. ~~Notes~~ Bond  
8 anticipation notes may be issued for any corporate purpose  
9 of the authority. ~~Notes~~ Bond anticipation notes shall be  
10 issued in the same manner as bonds, and bond anticipation  
11 notes, and the resolution authorizing them may contain any  
12 provisions, conditions, or limitations, not inconsistent  
13 with the provisions of this subsection, which the bonds or  
14 a bond resolution of the authority may contain. ~~Notes~~ Bond  
15 anticipation notes may be sold at public or private sale. In  
16 case of default on its bond anticipation notes or violation  
17 of any obligations of the authority to the noteholders, the  
18 noteholders shall have all the remedies provided in this  
19 chapter for bondholders. ~~Notes~~ Bond anticipation notes shall  
20 be as fully negotiable as bonds of the authority.

21 Sec. 32. Section 16.26, subsection 7, Code 2014, is amended  
22 by striking the subsection and inserting in lieu thereof the  
23 following:

24 7. It is the intention of the general assembly that a pledge  
25 made in respect of bonds or notes shall be valid and binding  
26 from the time the pledge is made, that the money or property  
27 so pledged and received after the pledge by the authority  
28 shall immediately be subject to the lien of the pledge without  
29 physical delivery or further act, and that the lien of the  
30 pledge shall be valid and binding as against all parties having  
31 claims of any kind in tort, contract, or otherwise against  
32 the authority whether or not the parties have notice of the  
33 lien. Neither the resolution, trust agreement, nor any other  
34 instrument by which a pledge is created needs to be recorded or  
35 filed under the Iowa uniform commercial code, chapter 554, to

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1 be valid, binding, or effective against the parties.

2 Sec. 33. Section 16.26, Code 2014, is amended by adding the  
3 following new subsection:

4 NEW SUBSECTION. 10. It is the intention of the general  
5 assembly that a pledge made in respect of bonds or notes shall  
6 be valid and binding from the time the pledge is made, that  
7 the money or property so pledged and received after the pledge  
8 by the authority shall immediately be subject to the lien of  
9 the pledge without physical delivery or further act, and that  
10 the lien of the pledge shall be valid and binding as against  
11 all parties having claims of any kind in tort, contract, or  
12 otherwise against the authority whether or not the parties have  
13 notice of the lien. Neither the resolution, trust agreement,  
14 nor any other instrument by which a pledge is created needs to  
15 be recorded or filed under the Iowa uniform commercial code,  
16 chapter 554, to be valid, binding, or effective against the  
17 parties.

18 Sec. 34. Section 16.27, Code 2014, is amended by adding the  
19 following new subsections:

20 NEW SUBSECTION. 3A. To assure the continued operation  
21 and solvency of the authority for the carrying out of its  
22 corporate purposes, provision is made in subsection 1 for the  
23 accumulation in each bond reserve fund of an amount equal to  
24 the bond reserve fund requirement for the fund. In order  
25 further to assure maintenance of the bond reserve funds, the  
26 chairperson of the authority shall, on or before July 1 of each  
27 calendar year, make and deliver to the governor a certificate  
28 stating the sum, if any, required to restore each bond reserve  
29 fund to its bond reserve fund requirement. Within thirty days  
30 after the beginning of the session of the general assembly  
31 next following the delivery of the certificate, the governor  
32 may submit to both houses printed copies of a budget including  
33 any sum required to restore each bond reserve fund to its bond  
34 reserve fund requirement. Sums appropriated by the general  
35 assembly and paid to the authority under this section shall be

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1 deposited by the authority in the applicable bond reserve fund.  
2 NEW SUBSECTION. 3B. Amounts paid over to the authority  
3 by the state pursuant to the provisions of this section shall  
4 constitute and be accounted for as advances by the state to  
5 the authority and, subject to the rights of the holders of any  
6 bonds or notes of the authority, shall be repaid to the state  
7 without interest from all available operating revenues of the  
8 authority in excess of amounts required for the payment of  
9 bonds, notes, or obligations of the authority, the bond reserve  
10 fund, and operating expenses.

11 NEW SUBSECTION. 3C. In the event that the principal amount  
12 of any bonds or notes deposited in a bond reserve fund is  
13 withdrawn for payment of principal or interest thereby reducing  
14 the amount of that fund to less than the bond reserve fund  
15 requirement, the authority shall immediately notify the general  
16 assembly of this event and shall take steps to restore the  
17 fund to its bond reserve fund requirement from any amounts  
18 available, other than principal of a bond issue, which are not  
19 pledged to the payment of other bonds or notes.

20 Sec. 35. NEW SECTION. 16.27A Powers relating to loans.

21 Subject to any agreement with bondholders or noteholders,  
22 the authority may renegotiate a mortgage or secured loan or  
23 a loan to a lending institution in default, waive a default  
24 or consent to the modification of the terms of a mortgage or  
25 secured loan or a loan to a lending institution, forgive or  
26 forbear all or part of a mortgage or secured loan or a loan to  
27 a lending institution, and commence, prosecute, and enforce  
28 a judgment in any action, including but not limited to a  
29 foreclosure action, to protect or enforce any right conferred  
30 upon it by law, mortgage or secured loan agreement, contract  
31 or other agreement, and in connection with any action, bid for  
32 and purchase the property or acquire or take possession of it,  
33 complete, administer, pay the principal of and interest on  
34 any obligations incurred in connection with the property, and  
35 dispose of and otherwise deal with the property in a manner the

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1 authority deems advisable to protect its interests.

2 Sec. 36. NEW SECTION. 16.29 **Agreement of the state.**

3 The state pledges and agrees with the holders of any bonds or  
4 notes that the state will not limit or alter the rights vested  
5 in the authority to fulfill the terms of agreements made with  
6 the holders or in any way to impair the rights and remedies of  
7 the holders until the bonds or notes together with the interest  
8 on them, plus interest on unpaid installments of interest,  
9 and all costs and expenses in connection with an action by or  
10 on behalf of the holders are fully met and discharged. The  
11 authority may include this pledge and agreement of the state in  
12 any agreement with the holders of bonds or notes.

13 Sec. 37. NEW SECTION. 16.32 **Surplus moneys — loan and**  
14 **grant fund.**

15 1. Moneys declared by the authority to be surplus moneys  
16 which are not required to service bonds and notes issued by the  
17 authority, to pay administrative expenses of the authority,  
18 or to accumulate necessary operating or loss reserves, shall  
19 be used by the authority to provide grants, loans, subsidies,  
20 and services or assistance through programs authorized in this  
21 chapter.

22 2. The authority may establish a loan and grant fund which  
23 may be comprised of the proceeds of appropriations, grants,  
24 contributions, surplus moneys transferred as provided in this  
25 section, and repayment of authority loans made from such fund.

26 Sec. 38. NEW SECTION. 16.34A **Special definition.**

27 As used in this subchapter, unless the context otherwise  
28 requires, "*state housing credit ceiling*" means the state  
29 housing credit ceiling as defined in Internal Revenue Code  
30 §42(h)(3)(C).

31 Sec. 39. NEW SECTION. 16.35 **State housing credit ceiling**  
32 **allocation.**

33 1. The authority is designated the housing credit agency  
34 for the allowance of low-income housing credits under the state  
35 housing credit ceiling.

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1     2. The authority shall adopt rules and allocation  
2 procedures which will ensure the maximum use of available tax  
3 credits in order to encourage development of low-income housing  
4 in the state. The authority shall consider the following  
5 factors in the adoption and application of the allocation  
6 rules:

7     a. Timeliness of the application.  
8     b. Location of the proposed housing project.  
9     c. Relative need in the proposed area for low-income  
10 housing.  
11    d. Availability of low-income housing in the proposed area.  
12    e. Economic feasibility of the proposed project.  
13    f. Ability of the applicant to proceed to completion of the  
14 project in the calendar year for which the credit is sought.

15    3. a. The authority shall adopt rules specifying the  
16 application procedure and the allowance of low-income housing  
17 credits under the state housing credit ceiling.  
18    b. The authority shall not allow more than ninety percent of  
19 the low-income housing credits under the state housing credit  
20 ceiling to projects other than qualified low-income housing  
21 projects as defined in Internal Revenue Code §42(h)(5)(B).

22    Sec. 40. NEW SECTION. 16.36 Participation in federal  
23 housing assistance payments program.

24    The authority shall participate in the housing assistance  
25 payments program under section 8 of the United States Housing  
26 Act of 1937, as amended by §201 of the Housing and Community  
27 Development Act of 1974, Pub. L. No. 93-383, codified at 42  
28 U.S.C. §1437 et seq.

29    Sec. 41. NEW SECTION. 16.38 Loans to lending institutions.

30    1. The authority may make, and contract to make, loans to  
31 lending institutions on terms and conditions as the authority  
32 determines which are reasonably related to protecting the  
33 security of the authority's investment and to implementing the  
34 purposes of this chapter, and subject to this section, and  
35 all lending institutions are authorized to borrow from the

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1 authority in accordance with the provisions of this section and  
2 the rules of the authority.

3     2. The authority shall require as a condition of each  
4 loan to a lending institution that the lending institution,  
5 within a reasonable period after receipt of the loan proceeds  
6 as the authority prescribes by rule, shall have entered into  
7 written commitments to make, and, within a reasonable period  
8 thereafter as the authority prescribes by rule, shall have  
9 disbursed the loan proceeds in new mortgage loans to low or  
10 moderate income families in an aggregate principal amount equal  
11 to the amount of the loan. New mortgage loans shall have terms  
12 and conditions as the authority prescribes by rules which  
13 are reasonably related to implementing the purposes of this  
14 chapter.

15     3. The authority shall require the submission to the  
16 authority by each lending institution to which the authority  
17 has made a loan, of evidence satisfactory to the authority of  
18 the making of new mortgage loans to low or moderate income  
19 families as required by this section, and in that connection  
20 may, through its members, employees, or agents, inspect the  
21 books and records of a lending institution.

22     4. Compliance by a lending institution with the terms of  
23 its agreement with the authority with respect to the making  
24 of new mortgage loans to low or moderate income families may  
25 be enforced by decree of any district court of this state.  
26 The authority may require as a condition of a loan to a  
27 national banking association or a federally chartered savings  
28 and loan association, the consent of the association to the  
29 jurisdiction of courts of this state over any such proceeding.  
30 The authority may also require, as a condition of a loan to  
31 a lending institution, agreement by the lending institution  
32 to the payment of penalties to the authority for violation by  
33 the lending institution of its agreement with the authority,  
34 and the penalties shall be recoverable at the suit of the  
35 authority.

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1     5. The authority shall require that each lending  
2 institution receiving a loan pursuant to this section  
3 shall issue and deliver to the authority an evidence of its  
4 indebtedness to the authority which shall constitute a general  
5 obligation of the lending institution and shall bear a date,  
6 mature at a time, be subject to prepayment, and contain other  
7 provisions consistent with this section and reasonably related  
8 to protecting the security of the authority's investment, as  
9 the authority determines.

10    6. Notwithstanding any other provision of this section to  
11 the contrary, the interest rate and other terms of loans to  
12 lending institutions made from the proceeds of an issue of  
13 bonds or notes of the authority shall be at least sufficient  
14 to assure the payment of the bonds or notes and the interest on  
15 them as they become due.

16    7. The authority shall require that loans to lending  
17 institutions are additionally secured as to payment of both  
18 principal and interest by a pledge of and lien upon collateral  
19 security by special escrow funds or other forms of guaranty and  
20 in such amounts and forms as the authority shall by resolution  
21 determine to be necessary to assure the payment of the loans  
22 and the interest thereon as they become due. Collateral  
23 security shall consist of direct obligations of, or obligations  
24 guaranteed by, the United States or one of its agencies,  
25 obligations satisfactory to the authority which are issued by  
26 other federal agencies, direct obligations of or obligations  
27 guaranteed by a state or a political subdivision of a state, or  
28 investment quality obligations approved by the authority.

29    8. The authority may require that collateral for loans  
30 be deposited with a bank, trust company, or other financial  
31 institution acceptable to the authority located in this state  
32 and designated by the authority as custodian. In the absence  
33 of such a requirement, each lending institution shall enter  
34 into an agreement with the authority containing provisions  
35 as the authority deems necessary to adequately identify and

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1 maintain the collateral, service the collateral, and require  
2 the lending institution to hold the collateral as an agent  
3 for the authority and be accountable to the authority as the  
4 trustee of an express trust for the application and disposition  
5 of the collateral and the income from it. The authority may  
6 also establish additional requirements as the authority deems  
7 necessary with respect to the pledging, assigning, setting  
8 aside, or holding of collateral and the making of substitutions  
9 for it or additions to it and the disposition of income and  
10 receipts from it.

11 9. The authority may require as a condition of loans to  
12 lending institutions, any representations and warranties the  
13 authority determines are necessary to secure the loans and  
14 carry out the purposes of this section.

15 10. If a provision of this section is inconsistent with a  
16 provision of law of this state governing lending institutions,  
17 the provision of this section controls for the purposes of this  
18 section.

19 Sec. 42. **NEW SECTION. 16.39 Purchase of mortgage loans.**

20 1. The authority may purchase, and make advance commitments  
21 to purchase, mortgage loans from lending institutions at prices  
22 and upon terms and conditions as the authority determines  
23 subject to this section. However, the total purchase price  
24 for all mortgage loans which the authority commits to purchase  
25 from a lending institution at any one time shall not exceed  
26 the total of the unpaid principal balances of the mortgage  
27 loans purchased. Lending institutions are authorized to  
28 sell mortgage loans to the authority in accordance with the  
29 provisions of this section and the rules of the authority.

30 2. The authority shall require as a condition of purchase  
31 of mortgage loans from lending institutions that the lending  
32 institutions, within a reasonable period after receipt of the  
33 purchase price as the authority prescribes by rule, shall enter  
34 into written commitments to loan and, within a reasonable  
35 period thereafter as the authority prescribes by rule, shall

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1 loan an amount equal to the entire purchase price of the  
2 mortgage loans, on new mortgage loans to low or moderate  
3 income families or certify that mortgage loans purchased are  
4 mortgage loans made to low or moderate income families. New  
5 mortgage loans to be made by lending institutions shall have  
6 terms and conditions as the authority prescribes by rule. The  
7 authority may make a commitment to purchase mortgage loans  
8 from lending institutions in advance of the time such loans  
9 are made by lending institutions. The authority shall require  
10 as a condition of such commitment that lending institutions  
11 certify in writing that all mortgage loans represented by the  
12 commitment will be made to low or moderate income families, and  
13 that other authority specifications will be complied with.

14 3. The authority shall require the submission to the  
15 authority by each lending institution from which the authority  
16 has purchased mortgages, of evidence satisfactory to the  
17 authority of the making of new mortgage loans to low or  
18 moderate income families as required by this section and in  
19 that connection may, through its members, employees, or agents,  
20 inspect the books and records of a lending institution.

21 4. Compliance by a lending institution with the terms of  
22 its agreement with the authority with respect to the making of  
23 new mortgage loans to low or moderate income families may be  
24 enforced by decree of any district court of this state. The  
25 authority may require as a condition of purchase of mortgage  
26 loans from any national banking association or federally  
27 chartered savings and loan association, the consent of the  
28 association to the jurisdiction of courts of this state over  
29 any such proceeding. The authority may also require as a  
30 condition of the authority's purchase of mortgage loans from  
31 a lending institution, agreement by the lending institution  
32 to the payment of penalties to the authority for violation by  
33 the lending institution of its agreement with the authority,  
34 and the penalties shall be recoverable at the suit of the  
35 authority.

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1     5. The authority may require as a condition of purchase of  
2 a mortgage loan from a lending institution that the lending  
3 institution represent and warrant to the authority that:  
4     *a.* The unpaid principal balance of the mortgage loan and  
5 the interest rate on it have been accurately stated to the  
6 authority.  
7     *b.* The amount of the unpaid principal balance is justly due  
8 and owing.  
9     *c.* The lending institution has no notice of the existence of  
10 any counterclaim, offset, or defense asserted by the mortgagor  
11 or the mortgagor's successor in interest.  
12     *d.* The mortgage loan is evidenced by a bond or promissory  
13 note and a mortgage which has been properly recorded with the  
14 appropriate public official.  
15     *e.* The mortgage constitutes a valid first lien on the  
16 real property described to the authority subject only to real  
17 property taxes not yet due, installments of assessments not  
18 yet due, and easements and restrictions of record which do not  
19 adversely affect, to a material degree, the use or value of the  
20 real property or improvements on it.  
21     *f.* The mortgagor is not now in default in the payment of  
22 any installment of principal or interest, escrow funds, or real  
23 property taxes, or otherwise in the performance of obligations  
24 under the mortgage documents and has not to the knowledge of  
25 the lending institution been in default in the performance of  
26 any obligation under the mortgage for a period of longer than  
27 sixty days during the life of the mortgage.  
28     *g.* The improvements to the mortgaged real property are  
29 covered by a valid and subsisting policy of insurance issued  
30 by a company authorized to issue such policies in this state  
31 and providing fire and extended coverage in amounts as the  
32 authority prescribes by rule.  
33     *h.* The mortgage loan meets the prevailing investment quality  
34 standards for mortgage loans in this state.  
35     6. A lending institution is liable to the authority for

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1 damages suffered by the authority by reason of the untruth  
2 of a representation or the breach of a warranty and, in the  
3 event that a representation proves to be untrue when made or  
4 in the event of a breach of warranty, the lending institution  
5 shall, at the option of the authority, repurchase the mortgage  
6 loan for the original purchase price adjusted for amounts  
7 subsequently paid on it, as the authority determines.

8 7. The authority shall require the recording of an  
9 assignment of a mortgage loan purchased by the authority from  
10 a lending institution and shall not be required to notify  
11 the mortgagor of the authority's purchase of the mortgage  
12 loan. The authority shall not be required to inspect or take  
13 possession of the mortgage documents if the mortgage lender  
14 from which the mortgage loan is purchased by the authority  
15 enters into a contract to service the mortgage loan and account  
16 to the authority for it.

17 8. If a provision of this section is inconsistent with  
18 another provision of law of this state governing lending  
19 institutions, the provision of this section controls for the  
20 purposes of this section.

21 Sec. 43. Section 16.40, subsection 3, Code 2014, is amended  
22 to read as follows:

23 3. The authority may use moneys in the fund to provide  
24 financial assistance to a housing sponsor or an individual in  
25 the form of a loan, loan ~~guarantee~~ guaranty, grant, or interest  
26 subsidy, or by other means under the general powers of the  
27 authority.

28 Sec. 44. NEW SECTION. 16.43 Housing improvement fund  
29 program.

30 1. A housing improvement fund is created within the  
31 authority. The moneys in the housing improvement fund are  
32 annually appropriated to the authority which shall allocate  
33 the available funds among and within the programs authorized  
34 by this section. Notwithstanding section 8.33, unencumbered  
35 or unobligated moneys remaining in the fund on June 30 of

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1 any fiscal year shall not revert to any other fund but shall  
2 be available for expenditure for subsequent fiscal years.  
3 Notwithstanding section 12C.7, interest or earnings on moneys  
4 in the fund or appropriated to the fund shall be credited to  
5 the fund. The authority may expend up to four percent of  
6 the moneys appropriated for the programs in this section for  
7 administrative costs of the authority for those programs.  
8 The authority may provide financial assistance to a housing  
9 sponsor or an individual in the form of loans, guaranties,  
10 grants, interest subsidies, or by other means for the programs  
11 authorized by this section.

12 2. By rule, the authority shall establish the following  
13 financial assistance programs and provide the requirements for  
14 their proper administration:

15 a. A home maintenance and repair program providing repair  
16 services to families which include persons who are elderly or  
17 persons with disabilities and which qualify as lower income or  
18 very low income families.

19 b. A rental rehabilitation program for the construction  
20 or rehabilitation of single or multifamily rental properties  
21 leased to lower income or very low income families.

22 c. (1) A home ownership incentive program to help lower  
23 income and very low income families achieve single family home  
24 ownership. Funds provided under this program shall not be  
25 restricted to first-time home buyers but shall be limited to  
26 mortgages under fifty-five thousand dollars, except in those  
27 areas of the state where the median price of homes exceeds the  
28 state average. The assistance provided shall include at least  
29 one of the following kinds of assistance:

30 (a) Closing costs assistance.

31 (b) Down payment assistance.

32 (c) Home maintenance and repair assistance.

33 (d) Loan processing assistance through a loan endorser  
34 review contractor who acts on behalf of the authority in  
35 assisting lenders in processing loans that will qualify for

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1 government insurance or guaranty or for financing under the  
2 authority's mortgage revenue bond program.

3 (e) Mortgage insurance program.

4 (2) Five percent of the moneys expended under this program  
5 shall be used to finance the purchase or acquisition, in  
6 communities with a population of less than ten thousand, of  
7 manufactured homes as defined in 42 U.S.C. §5403. Moneys  
8 available for this purpose which are unencumbered or  
9 unobligated at the end of the fiscal year shall revert to the  
10 housing improvement fund for reallocation for the next fiscal  
11 year.

12 (3) Not more than fifty percent of the assistance provided  
13 under this program shall be provided under subparagraph (1),  
14 subparagraph divisions (d) and (e). So long as at least one  
15 of the kinds of assistance described in subparagraph (1),  
16 subparagraph divisions (a) through (e) is provided, additional  
17 assistance not described in subparagraph (1), subparagraph  
18 divisions (a) through (e) may also be provided.

19 3. The authority shall coordinate the programs authorized  
20 by this section with the other programs under the jurisdiction  
21 of the authority.

22 4. Each application for financial assistance shall  
23 be rated based on local, housing sponsor, and recipient  
24 financial commitment, proposals for leveraging other financial  
25 assistance, experience with the recipient group involved,  
26 consideration for the housing project in the context of overall  
27 community needs, including vacancy rate of rental property  
28 and ratio of subsidized rental housing to nonsubsidized  
29 housing, ability to provide a counseling support system to  
30 the recipients, and a demonstrated capability by the housing  
31 sponsor to provide follow-up monitoring of recipients to  
32 determine if identifiable results have been achieved.

33 5. For the purposes of this section, "housing sponsor" is  
34 a for-profit entity, nonprofit corporation, local government,  
35 or a joint venture involving a for-profit entity, nonprofit

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1 corporation, or local government.

2 6. None of the funds provided to a housing sponsor under  
3 this section shall be used for the costs of administration.

4 7. During each regular session of the general assembly,  
5 the authority shall present, to the appropriate appropriations  
6 subcommittee, a report concerning the total estimated resources  
7 to be available for expenditure under this section for the next  
8 fiscal year and the amount the authority proposes to allocate  
9 to each program under this section.

10 8. A homelessness advisory committee is created consisting  
11 of the executive director or the executive director's designee,  
12 the directors or their designees from the departments of human  
13 services and human rights, the economic development authority,  
14 the director of the department on aging or the director's  
15 designee, and at least three individuals from the private  
16 sector to be selected by the executive director. The advisory  
17 committee shall advise the authority in coordinating programs  
18 that provide for the homeless.

19 9. Notwithstanding any provision to the contrary,  
20 all assets held in the housing improvement fund shall be  
21 transferred to the housing trust fund created in section 16.45.  
22 Any moneys or assets received for deposit in the housing  
23 improvement fund shall be transferred to the housing trust  
24 fund.

25 Sec. 45. NEW SECTION. 16.45 Housing trust fund.

26 1. a. A housing trust fund is created within the  
27 authority. The moneys in the housing trust fund are annually  
28 appropriated to the authority to be used for the development  
29 and preservation of affordable housing for low-income people  
30 in the state and for the Iowa mortgage help initiative.  
31 Payment of interest, recaptures of awards, or other repayments  
32 to the housing trust fund shall be deposited in the fund.  
33 Notwithstanding section 12C.7, interest or earnings on moneys  
34 in the housing trust fund or appropriated to the fund shall  
35 be credited to the fund. Notwithstanding section 8.33,

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1 unencumbered and unobligated moneys remaining in the fund  
2 at the close of each fiscal year shall not revert but shall  
3 remain available for expenditure for the same purposes in the  
4 succeeding fiscal year.

5     *b.* Assets in the housing trust fund shall consist of all of  
6 the following:

7         (1) Any moneys received by the authority from the national  
8 housing trust fund created pursuant to the federal Housing and  
9 Economic Recovery Act of 2008, Pub. L. No. 110-289.

10         (2) Any assets transferred by the authority for deposit in  
11 the housing trust fund.

12         (3) Any other moneys appropriated by the general assembly  
13 and any other moneys available to and obtained or accepted by  
14 the authority for placement in the housing trust fund.

15     *c.* The authority shall create the following programs within  
16 the housing trust fund:

17         (1) Local housing trust fund program. At least sixty  
18 percent of available moneys in the housing trust fund shall be  
19 allocated for the local housing trust fund program.

20         (2) Project-based housing program. Moneys remaining in  
21 the housing trust fund after the allocation in subparagraph  
22 (1) shall be used to make awards to project-based housing  
23 programs located in areas where a local housing trust fund does  
24 not exist or for a project-based housing program that is not  
25 eligible for funding through a local housing trust fund.

26     2. *a.* In order to be eligible to apply for funding from  
27 the local housing trust fund program, a local housing trust  
28 fund must be approved by the authority and have all of the  
29 following:

30         (1) A local governing board recognized by the city, county,  
31 council of governments, or regional officials as the board  
32 responsible for coordinating local housing programs.

33         (2) A housing assistance plan approved by the authority.

34         (3) Sufficient administrative capacity in regard to housing  
35 programs.



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1 (4) A local match requirement approved by the authority.  
2 b. An award from the local housing trust fund program shall  
3 not exceed ten percent of the balance in the program at the  
4 beginning of the fiscal year plus ten percent of any deposits  
5 made during the fiscal year.

6 c. By December 31 of each year, a local housing trust fund  
7 receiving moneys from the local housing trust fund program  
8 shall submit a report to the authority itemizing expenditures  
9 of the awarded moneys.

10 Sec. 46. NEW SECTION. 16.45A Housing trust fund —  
11 appropriations.

12 There is appropriated from the rebuild Iowa infrastructure  
13 fund to the Iowa finance authority for deposit in the housing  
14 trust fund created in section 16.45, for the fiscal year  
15 beginning July 1, 2014, and for each succeeding fiscal year,  
16 the sum of three million dollars.

17 Sec. 47. NEW SECTION. 16.46 Senior living revolving loan  
18 program fund.

19 1. A senior living revolving loan program fund is created  
20 within the authority. The moneys in the senior living  
21 revolving loan program fund shall be used by the authority for  
22 the development and operation of a revolving loan program to  
23 provide financing to construct affordable assisted living and  
24 service-enriched affordable housing for seniors and persons  
25 with disabilities, including through new construction or  
26 acquisition and rehabilitation.

27 2. Moneys transferred by the authority for deposit in the  
28 senior living revolving loan program fund, moneys appropriated  
29 to the senior living revolving loan program, and any other  
30 moneys available to and obtained or accepted by the authority  
31 for placement in the senior living revolving loan program fund  
32 shall be deposited in the fund. Additionally, payment of  
33 interest, recaptures of awards, and other repayments to the  
34 senior living revolving loan program fund shall be deposited  
35 in the fund. Notwithstanding section 12C.7, subsection

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1 2, interest or earnings on moneys in the senior living  
2 revolving loan program fund shall be credited to the fund.  
3 Notwithstanding section 8.33, moneys that remain unencumbered  
4 or unobligated at the end of the fiscal year shall not  
5 revert but shall remain available for the same purpose in the  
6 succeeding fiscal year.

7 3. The authority shall annually allocate moneys available  
8 in the senior living revolving loan program fund for the  
9 development of affordable assisted living and service-enriched  
10 affordable housing for seniors and persons with disabilities.  
11 The authority shall develop a joint application process for  
12 the allocation of federal low-income housing tax credits and  
13 funds available under this section. Moneys allocated to  
14 such developments may be in the form of loans, grants, or a  
15 combination of loans and grants.

16 Sec. 48. NEW SECTION. 16.47 Home and community-based  
17 services revolving loan program fund.

18 1. A home and community-based services revolving loan  
19 program fund is created within the authority to further the  
20 goals specified in section 231.3, adult day services, respite  
21 services, congregate meals, health and wellness, health  
22 screening, and nutritional assessments. The moneys in the home  
23 and community-based services revolving loan program fund shall  
24 be used by the authority for the development and operation  
25 of a revolving loan program to develop and expand facilities  
26 and infrastructure that provide adult day services, respite  
27 services, congregate meals, and programming space for health  
28 and wellness, health screening, and nutritional assessments  
29 that address the needs of persons with low incomes.

30 2. Moneys transferred by the authority for deposit in the  
31 home and community-based services revolving loan program fund,  
32 moneys appropriated to the home and community-based services  
33 revolving loan program, and any other moneys available to  
34 and obtained or accepted by the authority for placement in  
35 the home and community-based services revolving loan program

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1 fund shall be deposited in the fund. Additionally, payment of  
2 interest, recaptures of awards, and other repayments to the  
3 home and community-based services revolving loan program fund  
4 shall be deposited in the fund. Notwithstanding section 12C.7,  
5 subsection 2, interest or earnings on moneys in the home and  
6 community-based services revolving loan program fund shall be  
7 credited to the fund. Notwithstanding section 8.33, moneys  
8 that remain unencumbered or unobligated at the end of the  
9 fiscal year shall not revert but shall remain available for the  
10 same purpose in the succeeding fiscal year.

11 3. The authority, in cooperation with the department on  
12 aging, shall annually allocate moneys available in the home  
13 and community-based services revolving loan program fund to  
14 develop and expand facilities and infrastructure that provide  
15 adult day services, respite services, congregate meals, and  
16 programming space for health and wellness, health screening,  
17 and nutritional assessments that address the needs of persons  
18 with low incomes.

19 Sec. 49. NEW SECTION. 16.48 Transitional housing revolving  
20 loan program fund.

21 1. A transitional housing revolving loan program fund is  
22 created within the authority to further the availability of  
23 affordable housing for parents that are reuniting with their  
24 children while completing or participating in substance abuse  
25 treatment. The moneys in the fund are annually appropriated  
26 to the authority to be used for the development and operation  
27 of a revolving loan program to provide financing to construct  
28 affordable transitional housing, including through new  
29 construction or acquisition and rehabilitation of existing  
30 housing. The housing provided shall be geographically located  
31 in close proximity to licensed substance abuse treatment  
32 programs. Preference in funding shall be given to projects  
33 that reunite mothers with the mothers' children.

34 2. Moneys transferred by the authority for deposit in  
35 the transitional housing revolving loan program fund, moneys

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1 appropriated to the transitional housing revolving loan  
2 program, and any other moneys available to and obtained or  
3 accepted by the authority for placement in the fund shall be  
4 deposited in the fund. Additionally, payment of interest,  
5 recaptures of awards, and other repayments to the transitional  
6 housing revolving loan program fund shall be credited to the  
7 fund. Notwithstanding section 12C.7, subsection 2, interest or  
8 earnings on moneys in the transitional housing revolving loan  
9 program fund shall be credited to the fund. Notwithstanding  
10 section 8.33, moneys that remain unencumbered or unobligated at  
11 the close of the fiscal year shall not revert but shall remain  
12 available for the same purpose in the succeeding fiscal year.

13 3. The authority shall annually allocate moneys available  
14 in the transitional housing revolving loan program fund for  
15 the development of affordable transitional housing for parents  
16 that are reuniting with the parents' children while completing  
17 or participating in substance abuse treatment. The authority  
18 shall develop a joint application process for the allocation of  
19 federal low-income housing tax credits and the funds available  
20 under this section. Moneys allocated to such projects may be  
21 in the form of loans, grants, or a combination of loans and  
22 grants.

23 Sec. 50. NEW SECTION. 16.49 Community housing and services  
24 for persons with disabilities revolving loan program fund.

25 1. A community housing and services for persons with  
26 disabilities revolving loan program fund is created within the  
27 authority to further the availability of affordable housing and  
28 supportive services for Medicaid waiver-eligible individuals  
29 with behaviors that provide significant barriers to accessing  
30 traditional rental and supportive services opportunities. The  
31 moneys in the fund are annually appropriated to the authority  
32 to be used for the development and operation of a revolving  
33 loan program to provide financing to construct affordable  
34 permanent supportive housing or develop infrastructure in  
35 which to provide supportive services, including through new

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1 construction, acquisition and rehabilitation of existing  
2 housing or infrastructure, or conversion or adaptive reuse.

3     2. Moneys transferred by the authority for deposit in the  
4 community housing and services for persons with disabilities  
5 revolving loan program fund, moneys appropriated to the  
6 community housing and services for persons with disabilities  
7 revolving loan program, and any other moneys available to and  
8 obtained or accepted by the authority for placement in the  
9 fund shall be credited to the fund. Additionally, payment of  
10 interest, recaptures of awards, and other repayments to the  
11 community housing and services for persons with disabilities  
12 revolving loan program fund shall be credited to the fund.

13 Notwithstanding section 12C.7, subsection 2, interest or  
14 earnings on moneys in the fund shall be credited to the fund.

15 Notwithstanding section 8.33, moneys credited to the fund from  
16 any other fund that remain unencumbered or unobligated at the  
17 close of the fiscal year shall not revert to the other fund.

18     3. a. The authority shall annually allocate moneys  
19 available in the fund for the development of permanent  
20 supportive housing for Medicaid waiver-eligible individuals.  
21 The authority shall develop a joint application process for the  
22 allocation of United States housing and urban development HOME  
23 investment partnerships program funding and the funds available  
24 under this section. Moneys allocated to such projects may be  
25 in the form of loans, forgivable loans, or a combination of  
26 loans and forgivable loans.

27     b. The authority shall annually allocate moneys available  
28 in the fund for the development of infrastructure in which  
29 to provide supportive services for Medicaid waiver-eligible  
30 individuals who meet the psychiatric medical institution for  
31 children level of care. Moneys allocated to such projects may  
32 be in the form of loans, forgivable loans, or a combination of  
33 loans and forgivable loans.

34     4. a. A project shall demonstrate written approval of the  
35 project by the department of human services to the authority

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1 prior to application for funding under this section.

2     **b.** In order to be approved by the department of human  
3 services for application for funding for development of  
4 permanent supportive housing under this section, a project  
5 shall include all of the following components:

6       (1) Provision of services to any of the following Medicaid  
7 waiver-eligible individuals:

8       (a) Individuals who are currently underserved in community  
9 placements, including individuals who are physically aggressive  
10 or have behaviors that are difficult to manage or individuals  
11 who meet the psychiatric medical institution for children level  
12 of care.

13       (b) Individuals who are currently residing in out-of-state  
14 facilities.

15       (c) Individuals who are currently receiving care in a  
16 licensed health care facility.

17       (2) A plan to provide each individual with crisis  
18 stabilization services to ensure that the individual's  
19 behavioral issues are appropriately addressed by the provider.

20       (3) Policies and procedures that prohibit discharge of the  
21 individual from the waiver services provided by the project  
22 provider unless an alternative placement that is acceptable to  
23 the client or the client's guardian is identified.

24     **c.** In order to be approved by the department of human  
25 services for application for funding for development of  
26 infrastructure in which to provide supportive services under  
27 this section, a project shall include all of the following  
28 components:

29       (1) Provision of services to Medicaid waiver-eligible  
30 individuals who meet the psychiatric medical institution for  
31 children level of care.

32       (2) Policies and procedures that prohibit discharge of the  
33 individual from the waiver services provided by the project  
34 provider unless an alternative placement that is acceptable to  
35 the client or the client's guardian is identified.

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1     *d.* Housing provided through a project under this section is  
2 exempt from the requirements of chapter 1350.

3     Sec. 51. NEW SECTION. 16.50 Workforce housing assistance  
4 grant fund.

5     1. A workforce housing assistance grant fund is created  
6 under the authority of the Iowa finance authority. The fund  
7 shall consist of appropriations made to the fund. The fund  
8 shall be separate from the general fund of the state and the  
9 balance in the fund shall not be considered part of the balance  
10 of the general fund of the state. However, the fund shall be  
11 considered a special account for the purposes of section 8.53,  
12 relating to generally accepted accounting principles.

13     2. Notwithstanding section 12C.7, subsection 2, interest or  
14 earnings on moneys in the fund shall be credited to the fund.

15     3. *a.* Moneys in the fund in a fiscal year are appropriated  
16 to the Iowa finance authority to be used for grants for  
17 projects that create workforce housing or for projects that  
18 include adaptive reuse of buildings for workforce housing. For  
19 purposes of this section, "*workforce housing*" means housing that  
20 is affordable for a household whose income does not exceed one  
21 hundred twenty percent of the median income for the area.

22     *b.* Priority shall be given to the following types of  
23 projects:

24     (1) Projects that are eligible for historic preservation  
25 and cultural and entertainment district tax credits under  
26 section 404A.1.

27     (2) Projects for the construction of new single-family  
28 dwellings that incorporate one or more energy-efficient  
29 measures. The authority shall by rule identify the types of  
30 energy-efficient measures that will qualify a project for  
31 priority under this subparagraph.

32     (3) Projects that utilize new markets tax credits,  
33 established under the federal Community Renewal Tax Relief Act  
34 of 2000, Pub. L. No. 106-554, 114 Stat. 2763A, and undertaken  
35 by a qualified community development entity, as defined in the

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1 federal Act.

2 (4) Projects that are located in an area where other state  
3 funding has been used to support the creation of new jobs.

4 c. In any fiscal year, an area shall not receive grants  
5 totaling more than twenty-five percent of the moneys expended  
6 from the fund in that fiscal year. For purposes of this  
7 paragraph, "area" means the same area used to determine the  
8 median income under paragraph "a".

9 4. Annually, on or before January 15 of each year, the  
10 authority shall report to the legislative services agency and  
11 the department of management the status of all projects that  
12 received moneys from the workforce housing assistance grant  
13 fund. The report shall include a description of each project,  
14 the progress of work completed, the total estimated cost of  
15 each project, a list of all revenue sources being used to fund  
16 each project, the amount of funds expended, the amount of  
17 funds obligated, and the date each project was completed or an  
18 estimated completion date of each project, where applicable.

19 5. Payment of moneys from appropriations from the fund shall  
20 be made in a manner that does not adversely affect the tax  
21 exempt status of any outstanding bonds issued by the treasurer  
22 of state pursuant to section 12.87.

23 Sec. 52. NEW SECTION. 16.55 Solar and renewable energy  
24 systems loans.

25 The authority may make loans to lending institutions or  
26 purchase loans from lending institutions under part 3 to be  
27 used to finance property improvement loans for solar and other  
28 renewable energy systems. These loans shall be limited to low  
29 or moderate income families.

30 Sec. 53. NEW SECTION. 16.56 Jumpstart housing assistance  
31 program.

32 1. As used in this section, unless the context otherwise  
33 requires:

34 a. "Disaster-affected home" means a primary residence that  
35 was destroyed or damaged due to a natural disaster occurring

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1 after May 24, 2008, and before August 14, 2008.

2     *b. "Local government participant"* means the cities of Ames,  
3 Cedar Falls, Cedar Rapids, Council Bluffs, Davenport, Des  
4 Moines, Dubuque, Iowa City, Waterloo, and West Des Moines; a  
5 council of governments whose territory includes at least one  
6 county that was declared a disaster area by the president  
7 of the United States after May 24, 2008, and before August  
8 14, 2008; and any county that is not part of any council of  
9 governments and was declared a disaster area by the president  
10 of the United States after May 24, 2008, and before August 14,  
11 2008.

12     2. The Iowa finance authority shall establish and  
13 administer a jumpstart housing assistance program. Under  
14 the program, the authority shall provide grants to local  
15 government participants for purposes of distributing the moneys  
16 to eligible residents for eligible purposes which relate to  
17 disaster-affected homes.

18     3. An eligible resident is a person residing in a  
19 disaster-affected home who is the owner of record of a right,  
20 title, or interest in the disaster-affected home and who has  
21 been approved by the federal emergency management agency for  
22 housing assistance. An eligible resident must have a family  
23 income equal to or less than one hundred fifty percent of the  
24 area median family income.

25     4. Eligible purposes include forgivable loans for down  
26 payment assistance, emergency housing repair or rehabilitation,  
27 and interim mortgage assistance. An eligible resident who  
28 receives a forgivable loan may also receive energy efficiency  
29 assistance which shall be added to the principal of the  
30 forgivable loan.

31     5. A local government participant may retain a portion of  
32 the grant moneys for administrative purposes as provided in a  
33 grant agreement between the authority and the local government  
34 participant.

35     6. Any money paid to a local government participant by

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1 an eligible resident shall be remitted to the authority for  
2 deposit in the housing assistance fund created in section  
3 16.40.

4 7. As determined by the authority, unused or unobligated  
5 moneys may be reclaimed and reallocated by the authority to  
6 other local government participants.

7 Sec. 54. NEW SECTION. 16.57 Residential treatment  
8 facilities.

9 1. The authority may issue its bonds and notes and loan the  
10 proceeds of the bonds or notes to a nonprofit corporation for  
11 the purpose of financing the acquisition or construction of  
12 residential housing or treatment facilities serving juveniles  
13 or persons with disabilities.

14 2. The authority may enter into a loan agreement with  
15 a nonprofit corporation for the purpose of financing the  
16 acquisition or construction of residential housing or treatment  
17 facilities serving juveniles or persons with disabilities and  
18 shall provide for payment of the loan and security for the loan  
19 as the authority deems advisable.

20 3. In the resolution authorizing the issuance of the  
21 bonds or notes pursuant to this section, the authority may  
22 provide that the related principal and interest are limited  
23 obligations payable solely out of the revenues derived from the  
24 debt obligation, collateral, or other security furnished by or  
25 on behalf of the nonprofit corporation, and the principal or  
26 interest does not constitute an indebtedness of the authority  
27 or a charge against the authority's general credit or general  
28 fund.

29 4. The powers granted the authority under this section are  
30 in addition to the authority's other powers under this chapter.  
31 All other provisions of this chapter, except section 16.28,  
32 subsection 4, apply to bonds or notes issued pursuant to, and  
33 powers granted to the authority under this section, except to  
34 the extent the provisions are inconsistent with this section.

35 Sec. 55. NEW SECTION. 16.58 Definitions.

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1 As used in this subchapter, unless the context otherwise  
2 requires:  
3 1. "*Agricultural assets*" means agricultural land,  
4 depreciable agricultural property, crops, or livestock.  
5 2. "*Agricultural improvements*" means any improvements,  
6 buildings, structures, or fixtures suitable for use in farming  
7 which are located on agricultural land.  
8 3. "*Agricultural land*" means land suitable for use in  
9 farming.  
10 4. "*Agricultural producer*" means a person that engages  
11 or wishes to engage or intends to engage in the business of  
12 producing and marketing agricultural produce in this state.  
13 5. "*Bankhead-Jones Farm Tenant Act*" means the Act cited as  
14 50 Stat. 522 (1937), formerly codified as 7 U.S.C. §1000 et  
15 seq., repealed by Pub. L. No. 87-128 (1961).  
16 6. "*Beginning farmer*" means an individual, partnership,  
17 family farm corporation, or family farm limited liability  
18 company, with a low or moderate net worth that engages in  
19 farming or wishes to engage in farming.  
20 7. "*Beginning farmer tax credit program*" means all of the  
21 following:  
22 a. The agricultural assets transfer tax credit as provided  
23 in section 16.80.  
24 b. The custom farming contract tax credit as provided in  
25 section 16.81.  
26 8. "*Family farm corporation*" means the same as defined in  
27 section 9H.1.  
28 9. "*Family farm limited liability company*" means the same as  
29 defined in section 9H.1.  
30 10. "*Farming*" means the cultivation of land for the  
31 production of agricultural crops, the raising of poultry, the  
32 production of eggs, the production of milk, the production of  
33 fruit or other horticultural crops, grazing, the production of  
34 livestock, aquaculture, hydroponics, the production of forest  
35 products, or other activities designated by the authority by

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1 rules subject to chapter 17A.

2 11. "*Low or moderate net worth*" means a net worth that does  
3 not exceed the maximum allowable net worth established by the  
4 authority. The authority shall establish the maximum allowable  
5 net worth in accordance with the prices paid by farmers index  
6 as compiled by the United States department of agriculture.

7 12. "*Production item*" includes tools, machinery, or  
8 equipment principally used to produce crops or livestock.

9 13. "*Qualified beginning farmer*" means a beginning farmer  
10 who meets the requirements to participate in a beginning farmer  
11 tax credit program as provided in part 5, subpart B.

12 Sec. 56. NEW SECTION. 16.59 **Special financing —**  
13 **calculations.**

14 A low or moderate net worth requirement provided in this  
15 subchapter applies to an individual, partnership, family farm  
16 corporation, or family farm limited liability company. The  
17 requirement as applied to each such person is calculated as  
18 follows:

19 1. For an individual, an aggregate net worth of the  
20 individual and the individual's spouse and minor children not  
21 greater than the low or moderate net worth.

22 2. For a partnership, an aggregate net worth of all  
23 partners, including each partner's net capital in the  
24 partnership, and each partner's spouse and minor children not  
25 greater than twice the low or moderate net worth. However, the  
26 aggregate net worth of each partner and that partner's spouse  
27 and minor children shall not exceed the low or moderate net  
28 worth.

29 3. For a family farm corporation, an aggregate net worth  
30 of all shareholders, including the value of each shareholder's  
31 share in the family farm corporation, and each shareholder's  
32 spouse and minor children not greater than twice the low or  
33 moderate net worth. However, the aggregate net worth of each  
34 shareholder and that shareholder's spouse and minor children  
35 shall not exceed the low or moderate net worth.

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1 4. For a family farm limited liability company, an aggregate  
2 net worth of all members, including each member's ownership  
3 interest in the family farm limited liability company, and each  
4 member's spouse and minor children of not greater than the low  
5 or moderate net worth. However, the aggregate net worth of  
6 each member and that member's spouse and minor children shall  
7 not exceed the low or moderate net worth.

8 Sec. 57. NEW SECTION. 16.60 **Combination programs.**

9 Programs authorized in this subchapter may be combined with  
10 any other programs authorized in this chapter or any other  
11 public or private programs.

12 Sec. 58. NEW SECTION. 16.62 **Trust assets.**

13 The authority shall make application to and receive from the  
14 United States secretary of agriculture, or any other proper  
15 federal official, pursuant and subject to the provisions of  
16 Pub. L. No. 81-499, 64 Stat. 152 (1950), formerly codified at  
17 40 U.S.C. §440 et seq. (1976), all of the trust assets held by  
18 the United States in trust for the Iowa rural rehabilitation  
19 corporation now dissolved.

20 Sec. 59. NEW SECTION. 16.63 **Agreements.**

21 The authority may enter into agreements with the United  
22 States secretary of agriculture pursuant to Pub. L. No. 81-499  
23 §2(f) (1950) upon terms and conditions and for periods of  
24 time as mutually agreeable, authorizing the authority to  
25 accept, administer, expend, and use in the state of Iowa all  
26 or any part of the trust assets or other funds in the state  
27 of Iowa which have been appropriated for use in carrying out  
28 the purposes of the Bankhead-Jones Farm Tenant Act and to do  
29 any and all things necessary to effectuate and carry out the  
30 purposes of such agreements.

31 Sec. 60. NEW SECTION. 16.64 **Bonds and notes — tax**  
32 **exemption.**

33 1. An action shall not be brought questioning the legality  
34 of any bonds or notes or the power of the authority to issue  
35 any bonds or notes or to the legality of any proceedings in

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1 connection with the authorization or issuance of the bonds or  
2 notes after determination by the board of the authority to  
3 proceed with the issuance of the bonds or notes sixty days from  
4 the date of publication of the notice.

5 2. Bonds and notes issued by the authority for purposes of  
6 financing the beginning farmer loan program provided in section  
7 16.75 are exempt from taxation by the state, and interest  
8 earned on the bonds and notes is deductible in determining  
9 net income for purposes of the state individual and corporate  
10 income tax under divisions II and III of chapter 422.

11 Sec. 61. NEW SECTION. 16.68 **Surplus moneys.**

12 Moneys declared by the authority to be surplus moneys  
13 which are not required to service bonds and notes, to pay  
14 administrative expenses of the authority, or to accumulate  
15 necessary operating or loss reserves, shall be used by the  
16 authority to provide loans, grants, subsidies, and other  
17 services or assistance to beginning farmers or agricultural  
18 producers through any of the programs authorized in this  
19 subchapter.

20 Sec. 62. NEW SECTION. 16.70 **Loans to lending institutions.**

21 1. The authority may make and contract to make loans to  
22 lending institutions on terms and conditions the authority  
23 determines are reasonably related to protecting the security of  
24 the authority's investment and to implementing the purposes of  
25 this subchapter. Lending institutions are authorized to borrow  
26 from the authority in accordance with the provisions of this  
27 section and the rules of the authority.

28 2. The authority shall require as a condition of each loan  
29 to a lending institution that the lending institution, within  
30 a reasonable period after receipt of the loan proceeds as the  
31 authority prescribes by rule, shall have entered into written  
32 commitments to make and, within a reasonable period thereafter  
33 as the authority prescribes by rule, shall have disbursed the  
34 loan proceeds in new mortgage or secured loans to beginning  
35 farmers in an aggregate principal amount of not less than the

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1 amount of the loan. New mortgage or secured loans shall have  
2 terms and conditions as the authority prescribes by rules which  
3 are reasonably related to implementing the purposes of this  
4 subchapter as provided in subchapter III.

5 3. The authority shall require the submission by each  
6 lending institution to which the authority has made a loan, of  
7 evidence satisfactory to the authority of the making of new  
8 mortgage or secured loans to beginning farmers as required by  
9 this section, and in that connection may, through its members,  
10 employees, or agents, inspect the books and records of a  
11 lending institution.

12 4. Compliance by a lending institution with the terms of  
13 its agreement with the authority with respect to the making  
14 of new mortgage or secured loans to beginning farmers may be  
15 enforced by decree of any district court of this state. The  
16 authority may require as a condition of a loan to a national  
17 banking association or a federally chartered savings and loan  
18 association, the consent of the association to the jurisdiction  
19 of the courts of this state over any enforcement proceeding.  
20 The authority may also require, as a condition of a loan to  
21 a lending institution, agreement by the lending institution  
22 to the payment of penalties to the authority for violation by  
23 the lending institution of its agreement with the authority,  
24 and the penalties shall be recoverable at the suit of the  
25 authority.

26 5. The authority shall require that each lending  
27 institution receiving a loan pursuant to this section shall  
28 issue and deliver to the authority evidence of its indebtedness  
29 to the authority which shall constitute a general obligation  
30 of the lending institution and shall bear a date, mature at a  
31 time, be subject to prepayment, and contain other provisions  
32 consistent with this section and reasonably related to  
33 protecting the security of the authority's investment, as the  
34 authority determines.

35 6. Notwithstanding any other provision of this section, the

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1 interest rate and other terms of loans to lending institutions  
2 made from the proceeds of an issue of bonds or notes of the  
3 authority shall be at least sufficient to assure the payment of  
4 the bonds or notes and the interest on them as they become due.  
5 7. The authority may require that loans to lending  
6 institutions are additionally secured as to payment of both  
7 principal and interest by a pledge of and lien upon collateral  
8 security by special escrow funds or other forms of guaranty and  
9 in amounts and forms as the authority by resolution determines  
10 to be necessary to assure the payment of the loans and the  
11 interest as they become due. Collateral security shall consist  
12 of direct obligations of or obligations guaranteed by the  
13 United States or one of its agencies, obligations satisfactory  
14 to the authority which are issued by other federal agencies,  
15 direct obligations of or obligations guaranteed by a state  
16 or a political subdivision of a state, or investment quality  
17 obligations approved by the authority.  
18 8. The authority may require that collateral for loans  
19 be deposited with a bank, trust company, or other financial  
20 institution acceptable to the authority located in this state  
21 and designated by the authority as custodian. In the absence  
22 of that requirement, each lending institution shall enter  
23 into an agreement with the authority containing provisions  
24 the authority deems necessary to adequately identify and  
25 maintain the collateral, service the collateral and require the  
26 lending institution to hold the collateral as an agent for the  
27 authority, and be accountable to the authority as the trustee  
28 of an express trust for the application and disposition of the  
29 collateral and the income from it. The authority may also  
30 establish additional requirements the authority deems necessary  
31 with respect to the pledging, assigning, setting aside, or  
32 holding of collateral and the making of substitutions for it or  
33 additions to it and the disposition of income and receipts from  
34 it.  
35 9. The authority may require as a condition of loans to

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1 lending institutions any representations and warranties the  
2 authority determines are necessary to secure the loans and  
3 carry out the purposes of this section.

4 10. The authority may require the beginning farmer to  
5 satisfy conditions and requirements normally imposed by lending  
6 institutions in making similar loans, including but not limited  
7 to the purchase of capital stock in the federal land bank.

8 11. If a provision of this section is inconsistent with a  
9 provision of law of this state governing lending institutions,  
10 the provision of this section controls for the purposes of this  
11 section.

12 Sec. 63. NEW SECTION. 16.71 **Purchase of loans.**

13 1. The authority may purchase and make advance commitments  
14 to purchase mortgage or secured loans from lending institutions  
15 at prices and upon terms and conditions as the authority  
16 determines. However, the total purchase price for all mortgage  
17 or secured loans which the authority commits to purchase from a  
18 lending institution at any one time shall not exceed the total  
19 of the unpaid principal balances of the mortgage or secured  
20 loans purchased. Lending institutions are authorized to sell  
21 mortgage or secured loans to the authority in accordance with  
22 the provisions of this section and the rules of the authority.

23 2. The authority shall require as a condition of purchase  
24 of mortgage or secured loans from lending institutions that  
25 the lending institutions certify that the mortgage or secured  
26 loans purchased are loans made to beginning farmers. Mortgage  
27 or secured loans to be made by lending institutions shall have  
28 terms and conditions as the authority prescribes by rule.

29 The authority may make a commitment to purchase mortgage or  
30 secured loans from lending institutions in advance of the time  
31 the loans are made by lending institutions. The authority  
32 shall require as a condition of a commitment that lending  
33 institutions certify in writing that all mortgage or secured  
34 loans represented by the commitment will be made to beginning  
35 farmers and that the lending institution will comply with other

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1 authority specifications.

2 3. The authority shall require the submission to it by each  
3 lending institution from which the authority has purchased  
4 loans of evidence satisfactory to the authority of the making  
5 of mortgage or secured loans to beginning farmers as required  
6 by this section and in that connection may, through its  
7 members, employees, or agents, inspect the books and records of  
8 a lending institution.

9 4. Compliance by a lending institution with the terms of  
10 its agreement with the authority with respect to the making  
11 of mortgage or secured loans to beginning farmers may be  
12 enforced by decree of any district court of this state. The  
13 authority may require as a condition of purchase of mortgage  
14 or secured loans from any national banking association or  
15 federally chartered savings and loan association the consent  
16 of the association to the jurisdiction of the courts of this  
17 state over any enforcement proceeding. The authority may also  
18 require as a condition of the purchase of mortgage or secured  
19 loans from a lending institution agreement by the lending  
20 institution to the payment of penalties to the authority for  
21 violation by the lending institution of its agreement with the  
22 authority and the penalties shall be recoverable at the suit  
23 of the authority.

24 5. The authority may require as a condition of purchase of  
25 a mortgage or secured loan from a lending institution that the  
26 lending institution make representations and warranties the  
27 authority requires. A lending institution is liable to the  
28 authority for damages suffered by the authority by reason of  
29 the untruth of a representation or the breach of a warranty  
30 and, in the event that a representation proves to be untrue  
31 when made or in the event of a breach of warranty, the lending  
32 institution shall, at the option of the authority, repurchase  
33 the mortgage or secured loan for the original purchase price  
34 adjusted for amounts subsequently paid on it, as the authority  
35 determines.

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1     6. The authority shall require the recording of an  
2 assignment of a mortgage loan purchased by the authority  
3 from a lending institution and is not required to notify the  
4 mortgagor of the authority's purchase of the mortgage loan.  
5 The authority is not required to inspect or take possession  
6 of the mortgage documents if the lending institution from  
7 which the mortgage loan is purchased enters into a contract to  
8 service the mortgage loan and account to the authority for it.

9     7. If a provision of this section is inconsistent with  
10 another provision of law of this state governing lending  
11 institutions, the provision of this section controls for the  
12 purposes of this section.

13     Sec. 64. NEW SECTION. 16.75 **Beginning farmer loan program.**

14     1. The authority shall develop a beginning farmer loan  
15 program to facilitate the acquisition of agricultural land and  
16 improvements and depreciable agricultural property by beginning  
17 farmers. The authority shall exercise the powers granted to  
18 the authority in this chapter in order to fulfill the goal of  
19 providing financial assistance to beginning farmers in the  
20 acquisition of agricultural land and agricultural improvements  
21 and depreciable agricultural property. The authority may  
22 participate in and cooperate with programs of the United States  
23 department of agriculture consolidated farm service agency,  
24 federal land bank, or any other agency or instrumentality of  
25 the federal government or with any program of any other state  
26 agency in the administration of the beginning farmer loan  
27 program and in the making of loans or purchasing of mortgage or  
28 secured loans pursuant to this subchapter.

29     2. The authority may participate in any federal programs  
30 designed to assist beginning farmers or in any related federal  
31 or state programs.

32     3. The authority shall provide in a beginning farmer loan  
33 program that a loan to or on behalf of a beginning farmer shall  
34 be provided only if the following criteria are satisfied:

35     a. The beginning farmer is a resident of the state.

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1     *b.* The agricultural land and agricultural improvements or  
2 depreciable agricultural property the beginning farmer proposes  
3 to purchase will be located in the state.

4     *c.* The beginning farmer has sufficient education, training,  
5 or experience in the type of farming for which the beginning  
6 farmer requests the loan.

7     *d.* If the loan is for the acquisition of agricultural  
8 land, the beginning farmer has or will have access to adequate  
9 working capital, farm equipment, machinery, or livestock. If  
10 the loan is for the acquisition of depreciable agricultural  
11 property, the beginning farmer has or will have access to  
12 adequate working capital or agricultural land.

13    *e.* The beginning farmer shall materially and substantially  
14 participate in farming.

15    *f.* The agricultural land and agricultural improvements shall  
16 only be used for farming by the beginning farmer, the beginning  
17 farmer's spouse, or the beginning farmer's minor children.

18    *g.* Other criteria as the authority prescribes by rule.

19     4. The authority may provide in a loan made or purchased  
20 pursuant to this subchapter that the loan shall not be assumed  
21 or any interest in the agricultural land or improvements or  
22 depreciable agricultural property may not be leased, sold, or  
23 otherwise conveyed without its prior written consent and may  
24 provide a due-on-sale clause with respect to the occurrence  
25 of any of the foregoing events without its prior written  
26 consent. The authority may provide by rule the grounds for  
27 permitted assumptions of a mortgage or for the leasing, sale,  
28 or other conveyance of any interest in the agricultural land  
29 or improvements. However, the authority shall provide and  
30 state in a loan that the authority has the power to raise the  
31 interest rate of the loan to the prevailing market rate if  
32 the loan is assumed by a farmer who is already established in  
33 that field at the time of the assumption of the loan. This  
34 provision controls with respect to a loan made or purchased  
35 pursuant to this subchapter notwithstanding the provisions of

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1 chapter 535.

2 5. The authority may participate in any interest in any  
3 loan made or purchased pursuant to this subchapter with a  
4 lending institution. The participation interest may be on a  
5 parity with the interest in the loan retained by the authority,  
6 equally and ratably secured by a mortgage or security agreement  
7 securing the loan.

8 Sec. 65. NEW SECTION. 16.76 Loans to beginning farmers.

9 1. As used in this section, "loan" includes financing  
10 pursuant to an installment contract or contract for purchase  
11 arrangement.

12 2. The authority may make loans, including but not limited  
13 to mortgage or secured loans, or loans insured, guaranteed,  
14 or otherwise secured by the federal government or a federal  
15 governmental agency or instrumentality, or a state agency or  
16 private mortgage insurers, to beginning farmers to provide  
17 financing for agricultural land and agricultural improvements  
18 or depreciable agricultural property.

19 3. A loan shall contain terms and provisions, including  
20 interest rates, and be in a form established by rules of the  
21 authority. The authority may require the beginning farmer  
22 to execute a note, loan, or financing agreement, or other  
23 evidence of indebtedness and furnish additional assurances  
24 and guaranties, including insurance, reasonably related to  
25 protecting the security of the loan, as the authority deems  
26 necessary.

27 Sec. 66. NEW SECTION. 16.78 Administration of beginning  
28 farmer tax credit program.

29 1. To every extent practicable, the authority shall  
30 administer tax credits under the beginning farmer tax credit  
31 program in a uniform manner that encourages participation by  
32 qualified beginning farmers. The authority shall determine a  
33 qualified beginning farmer's low or moderate net worth by using  
34 a single method applicable to all its programs, including the  
35 beginning farmer tax credit program.

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1     2. The authority shall establish a due date to receive  
2 applications to participate in the beginning farmer tax credit  
3 program. The authority may establish different due dates for  
4 applications to qualify for each beginning farmer tax credit.

5     3. The department of revenue shall cooperate with the  
6 authority in administering the beginning farmer tax credit  
7 program.

8     Sec. 67. NEW SECTION. **16.79 Criteria for beginning farmers**  
9 **qualifying to participate in the beginning farmer tax credit**  
10 **program.**

11     A beginning farmer qualifies to participate in the beginning  
12 farmer tax credit program as provided in this subchapter by  
13 meeting all of the following criteria:

14     1. Is a resident of the state. If the beginning farmer is a  
15 partnership, all partners must be residents of the state. If a  
16 beginning farmer is a family farm corporation, all shareholders  
17 must be residents of the state. If the beginning farmer is  
18 a family farm limited liability company, all members must be  
19 residents of the state.

20     2. Has sufficient education, training, or experience in  
21 farming. If the beginning farmer is a partnership, each  
22 partner who is not a minor must have sufficient education,  
23 training, or experience in farming. If the beginning farmer  
24 is a family farm corporation, each shareholder who is not a  
25 minor must have sufficient education, training, or experience  
26 in farming. If the beginning farmer is a family farm limited  
27 liability company, each member who is not a minor must have  
28 sufficient education, training, or experience in farming.

29     3. Has access to adequate working capital and production  
30 items.

31     4. Will materially and substantially participate in  
32 farming. If the beginning farmer is a partnership, family  
33 farm corporation, or family farm limited liability company,  
34 each partner, shareholder, or member who is not a minor must  
35 materially and substantially participate in farming.

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1 5. Is not responsible for managing or maintaining  
2 agricultural land and other agricultural assets that are  
3 greater than necessary to adequately support a beginning farmer  
4 as determined by the authority according to rules which shall  
5 be adopted by the authority.

6 Sec. 68. NEW SECTION. 16.80 Agricultural assets transfer  
7 tax credit — agreement.

8 1. An agricultural assets transfer tax credit is allowed  
9 under this section. The tax credit is allowed against the  
10 taxes imposed in chapter 422, division II, as provided in  
11 section 422.11M, and in chapter 422, division III, as provided  
12 in section 422.33, to facilitate the transfer of agricultural  
13 assets from a taxpayer to a qualified beginning farmer.

14 2. In order to qualify for the tax credit, the taxpayer  
15 must meet qualifications established by rules adopted by the  
16 authority. At a minimum, the taxpayer must comply with all of  
17 the following:

18 a. Be a person who may acquire or otherwise obtain or lease  
19 agricultural land in this state pursuant to chapter 9H or 9I.  
20 However, the taxpayer must not be a person who may acquire  
21 or otherwise obtain or lease agricultural land exclusively  
22 because of an exception provided in one of those chapters or in  
23 a provision of another chapter of this Code including but not  
24 limited to chapter 10, 10D, or 501, or section 15E.207.

25 b. Execute an agricultural assets transfer agreement with a  
26 qualified beginning farmer as provided in this section.

27 3. An individual may claim a tax credit under this section  
28 of a partnership, limited liability company, S corporation,  
29 estate, or trust electing to have income taxed directly to  
30 the individual. The amount claimed by the individual shall  
31 be based upon the pro rata share of the individual's earnings  
32 from the partnership, limited liability company, S corporation,  
33 estate, or trust.

34 4. The tax credit is allowed only for agricultural assets  
35 that are subject to an agricultural assets transfer agreement.

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1 The agreement shall provide for the lease of agricultural land  
2 located in this state, including any improvements and may  
3 provide for the rental of agricultural equipment as defined in  
4 section 322F.1.

5     *a.* The agreement shall include a lease made on a cash basis  
6 or on a commodity share basis which includes a share of the  
7 crops or livestock produced on the agricultural land. The  
8 agreement must be in writing.

9     *b.* The agreement shall be for at least two years, but  
10 not more than five years. The agreement or that part of  
11 the agreement providing for the lease may be renewed by the  
12 qualified beginning farmer for a term of at least two years,  
13 but not more than five years. An agreement does not include a  
14 lease or the rental of equipment intended as a security.

15     *c.* The agricultural transfer agreement cannot be assigned  
16 and the land subject to the agreement cannot be subleased.

17     5. The tax credit shall be based on the agricultural assets  
18 transfer agreement. The agreement shall be based on a cash  
19 basis or a commodity share basis or both.

20     *a.* For an agreement that includes a lease on a cash basis,  
21 the tax credit shall be computed as follows:

22         (1) If the qualified beginning farmer is not a veteran, the  
23 taxpayer may claim a tax credit equal to seven percent of the  
24 gross amount paid to the taxpayer under the agreement for each  
25 tax year that the tax credit is allowed.

26         (2) If the qualified beginning farmer is a veteran, the  
27 taxpayer may claim eight percent of the gross amount paid to  
28 the taxpayer under the agreement for the first year that the  
29 tax credit is allowed and seven percent of the gross amount  
30 paid to the taxpayer for each subsequent tax year that the  
31 tax credit is allowed. However, the taxpayer may only claim  
32 seven percent of the gross amount paid to the taxpayer under  
33 a renewed agreement or a new agreement executed by the same  
34 parties.

35     *b.* For an agreement that includes a lease on a commodity

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1 share basis, the tax credit shall be computed as follows:

2 (1) (a) If the qualified beginning farmer is not a veteran,  
3 the taxpayer may claim a tax credit equal to seventeen percent  
4 of the amount paid to the taxpayer from crops or animals sold  
5 under the agreement in which the payment is exclusively made  
6 from the sale of crops or animals.

7 (b) If the qualified beginning farmer is a veteran, the  
8 taxpayer may claim a tax credit equal to eighteen percent of  
9 the amount paid to the taxpayer from crops or animals sold  
10 under the agreement for the first tax year that the taxpayer  
11 is allowed the tax credit and seventeen percent of the amount  
12 paid to the taxpayer for each subsequent tax year that the  
13 taxpayer is allowed the tax credit. However, the taxpayer may  
14 only claim seventeen percent of the amount paid to the taxpayer  
15 from crops or animals sold for any tax year under a renewed  
16 agreement or a new agreement executed by the same parties.

17 (2) Notwithstanding subparagraph (1), the authority may  
18 elect an alternative method to compute a tax credit for a lease  
19 based on a crop share basis. The alternative method shall  
20 utilize a formula which uses data compiled by the United States  
21 department of agriculture. The formula shall calculate the  
22 amount of the tax credit by multiplying the average per bushel  
23 yield for the same type of grain as produced under the lease  
24 in the same county where the leased land is located by a per  
25 bushel state price established for such type of grain harvested  
26 the previous fall.

27 6. A tax credit in excess of the taxpayer's liability for  
28 the tax year may be credited to the tax liability for the  
29 following five years or until depleted, whichever is earlier.  
30 A tax credit shall not be carried back to a tax year prior to  
31 the tax year in which the taxpayer redeems the tax credit. A  
32 tax credit shall not be transferable to any other person other  
33 than the taxpayer's estate or trust upon the taxpayer's death.

34 7. A taxpayer shall not claim a tax credit under this  
35 section unless a tax credit certificate issued by the authority

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1 is attached to the taxpayer's tax return for the tax year for  
2 which the tax credit is claimed. The authority must review  
3 and approve an application for a tax credit as provided by  
4 rules adopted by the authority. The application must include  
5 a copy of the agricultural assets transfer agreement. The  
6 authority may approve an application and issue a tax credit  
7 certificate to a taxpayer who has previously been allowed a  
8 tax credit under this section. The authority may require  
9 that the parties to an agricultural assets transfer agreement  
10 provide additional information as determined relevant by the  
11 authority. The authority shall review an application for  
12 a tax credit which includes the renewal of an agricultural  
13 assets transfer agreement to determine that the parties to the  
14 renewed agreement meet the same qualifications as required for  
15 an original application. The authority shall not approve an  
16 application or issue a tax credit certificate to a taxpayer for  
17 an amount in excess of fifty thousand dollars. In addition,  
18 the authority shall not approve an application or issue a  
19 certificate to a taxpayer if any of the following applies:  
20     a. The taxpayer is at fault for terminating a prior  
21 agricultural assets transfer agreement as determined by the  
22 authority.  
23     b. The taxpayer is any of the following:  
24         (1) A party to a pending administrative or judicial action,  
25 including a contested case proceeding under chapter 17A,  
26 relating to an alleged violation involving an animal feeding  
27 operation as regulated by the department of natural resources,  
28 regardless of whether the pending action is brought by the  
29 department or the attorney general.  
30         (2) Classified as a habitual violator for a violation of  
31 state law involving an animal feeding operation as regulated by  
32 the department of natural resources.  
33     c. The agricultural assets are being leased or rented at  
34 a rate which is substantially higher or lower than the market  
35 rate for similar agricultural assets leased or rented within

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1 the same community, as determined by the authority.

2 8. A taxpayer or the qualified beginning farmer may  
3 terminate an agricultural assets transfer agreement as provided  
4 in the agreement or by law. The taxpayer must immediately  
5 notify the authority of the termination.

6 a. If the authority determines that the taxpayer is not  
7 at fault for the termination, the authority shall not issue a  
8 tax credit certificate to the taxpayer for a subsequent tax  
9 year based on the approved application. Any prior tax credit  
10 is allowed as provided in this section. The taxpayer may  
11 apply for and be issued another tax credit certificate for the  
12 same agricultural assets as provided in this section for any  
13 remaining tax years for which a certificate was not issued.

14 b. If the authority determines that the taxpayer is at fault  
15 for the termination, any prior tax credit allowed under this  
16 section is disallowed. The amount of the tax credit shall be  
17 immediately due and payable to the department of revenue. If  
18 a taxpayer does not immediately notify the authority of the  
19 termination, the taxpayer shall be conclusively deemed at fault  
20 for the termination.

21 Sec. 69. NEW SECTION. 16.81 Custom farming contract tax  
22 credit.

23 1. A custom farming contract tax credit is allowed under  
24 this section. The tax credit is allowed against the taxes  
25 imposed in chapter 422, division II, as provided in section  
26 422.11M, and in chapter 422, division III, as provided in  
27 section 422.33, to encourage taxpayers who are considering  
28 custom farming agricultural land located in this state to  
29 negotiate with qualified beginning farmers.

30 2. In order to be eligible to claim a custom farming  
31 contract tax credit, the taxpayer must meet qualifications  
32 established by rules adopted by the authority. At a minimum,  
33 the taxpayer must be a person who may acquire or otherwise  
34 obtain or lease agricultural land in the same manner as  
35 provided for a taxpayer claiming an agricultural assets

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1 transfer tax credit under section 16.80.

2 3. An individual may claim a custom farming contract  
3 tax credit of a partnership, limited liability company,  
4 S corporation, estate, or trust electing to have income  
5 taxed directly to the individual. The amount claimed by the  
6 individual shall be based upon the pro rata share of the  
7 individual's earnings from the partnership, limited liability  
8 company, S corporation, estate, or trust.

9 4. A custom farming contract tax credit is allowed only for  
10 the amount paid by the taxpayer to a qualified beginning farmer  
11 under a custom farming contract as provided in rules adopted by  
12 the department. The contract must provide for the production  
13 of crops located on agricultural land or the production of  
14 livestock principally located on agricultural land. The  
15 agricultural land must be real estate and any improvements used  
16 for farming in which the taxpayer holds a legal or equitable  
17 interest.

18 5. The custom farming contract must provide that the  
19 taxpayer pay the qualified beginning farmer on a cash basis.  
20 The contract must be in writing for a term of not more than  
21 twelve months. The total cash payment must equal at least one  
22 thousand dollars.

23 6. The taxpayer must make all management decisions  
24 substantially contributing to or affecting the production  
25 of crops located on the agricultural land or the production  
26 of livestock principally located on the agricultural land.  
27 However, nothing in this subsection prohibits a qualified  
28 beginning farmer from regularly or frequently taking part in  
29 making day-to-day operational decisions affecting production.  
30 The qualified beginning farmer must provide for all of the  
31 following:

32 a. Production items principally used to produce crops  
33 located on the agricultural land or to produce livestock  
34 principally located on the agricultural land.

35 b. Labor principally used to produce crops located on the

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1 agricultural land or to produce livestock principally located  
2 on the agricultural land. The qualified beginning farmer must  
3 personally provide such labor on a regular, continuous, and  
4 substantial basis.

5 7. A custom farming contract tax credit is not allowed if  
6 the taxpayer and qualified beginning farmer are related as any  
7 of the following:

8 a. Persons who hold a legal or equitable interest in the  
9 same agricultural land, including as individuals or as general  
10 partners, limited partners, shareholders, or members in the  
11 same business entity as defined in section 501A.102.

12 b. Family members related as spouse, child, stepchild,  
13 brother, or sister.

14 c. Partners in the same partnership which holds agricultural  
15 land, or shareholders in the same family farm corporation or  
16 members in the same family farm limited liability company and  
17 defined in section 9H.1.

18 8. A custom farming contract tax credit shall be calculated  
19 based on the gross amount paid to the qualified beginning  
20 farmer under the custom farming contract.

21 a. If the qualified beginning farmer is not a veteran, the  
22 taxpayer may claim a tax credit equal to seven percent of the  
23 gross amount paid to the qualified beginning farmer under the  
24 contract for each tax year that the tax credit is allowed.

25 b. If the qualified beginning farmer is a veteran, the  
26 taxpayer may claim a tax credit equal to eight percent of the  
27 gross amount paid to the qualified beginning farmer under the  
28 contract for the first year that the tax credit is allowed  
29 and seven percent of the gross amount paid to the qualified  
30 beginning farmer under the contract for each subsequent tax  
31 year that the tax credit is allowed. However, the taxpayer  
32 may only claim seven percent of the gross amount paid to the  
33 qualified beginning farmer under a renewed contract or a new  
34 contract executed by the same parties.

35 9. A custom farming contract tax credit in excess of the

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1 taxpayer's liability for the tax year may be credited to the  
2 tax liability for the following five years or until depleted,  
3 whichever is earlier. A tax credit shall not be carried back  
4 to a tax year prior to the tax year in which the taxpayer  
5 redeems the tax credit. A tax credit shall not be transferable  
6 to any other person other than the taxpayer's estate or trust  
7 upon the taxpayer's death.

8 10. A taxpayer shall not claim a custom farming contract  
9 tax credit unless a tax credit certificate issued by the  
10 authority under this section is attached to the taxpayer's tax  
11 return for the tax year for which the tax credit is claimed.  
12 The authority must review and approve an application for a  
13 tax credit certificate as provided by rules adopted by the  
14 authority. The application must include a copy of the custom  
15 farming contract. The authority may approve an application  
16 and issue a tax credit certificate to a taxpayer who has  
17 previously been allowed a tax credit under this section.  
18 The authority may require that the parties to the contract  
19 provide additional information as determined relevant by the  
20 authority. The authority shall review an application for a tax  
21 credit certificate which includes the renewal of a contract to  
22 determine that the parties to the renewed contract meet the  
23 same qualifications as required for an original application.  
24 The authority shall not approve an application or issue a tax  
25 credit certificate to a taxpayer for an amount in excess of  
26 fifty thousand dollars. In addition, the authority shall not  
27 approve an application or issue a tax credit certificate to a  
28 taxpayer if any of the following applies:

29 a. The taxpayer is at fault for terminating another custom  
30 farming contract, as determined by the authority.

31 b. The taxpayer is party to a pending administrative or  
32 judicial action, or classified as a habitual violator in the  
33 same manner as provided in section 16.80.

34 c. The contract amount is substantially higher or lower  
35 than the market rate for a similar custom farming contract, as

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1 determined by the authority.

2 11. A taxpayer or the qualified beginning farmer may  
3 terminate a custom farming contract as provided in the contract  
4 or by law. The taxpayer must immediately notify the authority  
5 of the termination.

6 a. If the authority determines that the taxpayer is not  
7 at fault for the termination, the authority shall not issue a  
8 tax credit certificate to the taxpayer for a subsequent tax  
9 year based on the approved application. Any prior tax credit  
10 is allowed as provided in this section until its expiration.  
11 The taxpayer may apply for and be issued another tax credit  
12 certificate for the same agricultural land under a custom  
13 farming contract with another qualified beginning farmer.

14 b. If the authority determines that the taxpayer is at fault  
15 for the termination, any prior tax credit allowed under this  
16 section is disallowed, and the amount of the tax credit shall  
17 be immediately due and payable to the department of revenue.  
18 If a taxpayer does not immediately notify the authority of the  
19 termination, the taxpayer shall be conclusively deemed at fault  
20 for the termination.

21 Sec. 70. NEW SECTION. 16.82 Tax credit certificates —  
22 availability.

23 1. The amount of tax credits that may be issued to support  
24 the beginning farmer tax credit program shall not in the  
25 aggregate exceed twelve million dollars in any year. Of the  
26 aggregate amount, eight million dollars is allocated to support  
27 the agricultural assets transfer tax credit as provided in  
28 section 16.80 and four million dollars is allocated to support  
29 the custom farming contract tax credit as provided in section  
30 16.81. However, the authority's board of directors may at  
31 any time during the year adjust the allocation by adopting a  
32 resolution.

33 2. The authority shall issue tax certificates to support  
34 a beginning farmer tax credit on a first-come, first-served  
35 basis.



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1     Sec. 71. NEW SECTION.   16.83   Additional loan program.

2     1. The authority may enter into a loan agreement with a  
3 beginning farmer to finance in whole or in part the acquisition  
4 by construction or purchase of agricultural land, agricultural  
5 improvements, or depreciable agricultural property. The  
6 repayment obligation of the beginning farmer may be unsecured,  
7 or may be secured by a mortgage or security agreement or by  
8 other security as the authority deems advisable, and may  
9 be evidenced by one or more notes of the beginning farmer.  
10 The loan agreement may contain terms and conditions as the  
11 authority deems advisable.

12    2. The authority may issue its bonds and notes for the  
13 purposes set forth in subsection 1 and may enter into a lending  
14 agreement or purchase agreement with one or more bondholders  
15 or noteholders containing the terms and conditions of the  
16 repayment of and the security for the bonds or notes. Bonds  
17 and notes must be authorized by a resolution of the authority.  
18 The authority and the bondholders or noteholders may enter into  
19 an agreement to provide for any of the following:

20     a. That the proceeds of the bonds and notes and investments  
21 thereon may be received, held, and disbursed by the bondholders  
22 or noteholders, or by a trustee or agent designated by the  
23 authority.

24     b. That the bondholders or noteholders or a trustee or agent  
25 designated by the authority may collect, invest, and apply the  
26 amounts payable under the loan agreement or any other security  
27 instrument securing the debt obligation of the beginning  
28 farmer.

29     c. That the bondholders or noteholders may enforce the  
30 remedies provided in the loan agreement or security instrument  
31 on their own behalf without the appointment or designation of  
32 a trustee and if there is a default in the principal of or  
33 interest on the bonds or notes or in the performance of any  
34 agreement contained therein, the payment or performance may be  
35 enforced in accordance with the provisions contained therein.

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1     *d.* That if there is a default in the payment of the  
2 principal or interest on a mortgage or security instrument  
3 or a violation of an agreement contained in the mortgage or  
4 security instrument, the mortgage or security instrument  
5 may be foreclosed or enforced and any collateral sold under  
6 proceedings or actions permitted by law and a trustee under the  
7 mortgage or security agreement or the holder of any bonds or  
8 notes secured thereby may become a purchaser if the trustee or  
9 holder is the highest bidder.

10    *e.* Other terms and conditions.

11     3. The authority may provide in the resolution authorizing  
12 the issuance of the bonds or notes that the principal and  
13 interest shall be limited obligations payable solely out of the  
14 revenues derived from the debt obligation, collateral, or other  
15 security furnished by or on behalf of the beginning farmer,  
16 and that the principal and interest does not constitute an  
17 indebtedness of the authority or a charge against its general  
18 credit or general fund.

19     4. The powers granted the authority under this section  
20 are in addition to other powers granted to the authority  
21 to administer this subchapter as provided in this chapter.  
22 All other provisions of this chapter, except section 16.28,  
23 subsection 4, apply to bonds or notes issued pursuant to and  
24 powers granted to the authority under this section except to  
25 the extent that they are inconsistent with this section.

26     Sec. 72. NEW SECTION. **16.84 Financial assistance for**  
27 **agricultural producers.**

28     1. In addition to the other programs authorized pursuant  
29 to this subchapter, the authority is authorized to provide  
30 any type of economic assistance directly or indirectly to  
31 agricultural producers, and may develop and implement programs  
32 including but not limited to the making of loan guaranties,  
33 interest buy-downs, grants, secured or unsecured direct  
34 loans, secondary market purchases of loans or mortgages, loans  
35 to lending institutions or other agricultural lenders as

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1 designated by rule of the authority, or entities that provide  
2 funds or credits to such lenders or institutions, to assist  
3 agricultural producers within the state. The authority may  
4 exercise any of the powers granted to the authority in this  
5 chapter in order to fulfill the goal of providing financial  
6 assistance to agricultural producers. The authority may  
7 participate in and cooperate with programs of any agency or  
8 instrumentality of the federal government or with programs of  
9 any other state agency in the administration of the programs to  
10 provide economic assistance to agricultural producers.

11 2. The authority shall provide in any program developed and  
12 implemented pursuant to this section that assistance shall be  
13 provided only if the following criteria are satisfied:

14 a. The agricultural producer is a resident of the state.

15 b. The agricultural producer's land and farm operations are  
16 located within the state.

17 c. Based upon the agricultural producer's net worth, cash  
18 flow, debt-to-asset ratio, and other criteria as prescribed by  
19 rule of the authority, the authority determines that without  
20 such assistance the agricultural producer could not reasonably  
21 be expected to be able to obtain, retain, restructure, or  
22 service loans or other financing for operating expenses, cash  
23 flow requirements, or capital acquisition and maintenance upon  
24 a reasonable and affordable basis.

25 d. Other criteria as the authority prescribes by rule.

26 3. The authority is granted all powers which are necessary  
27 or useful to develop and implement programs and authorizations  
28 pursuant to subsection 1. These powers include but are not  
29 limited to:

30 a. All general and specific powers stated in subchapter IV  
31 and this subchapter.

32 b. The power to make or enter into or to require the  
33 making or entry into of agreements of any type, with or  
34 by any person, that are necessary to effect the purposes  
35 of this section. These agreements may include but are not

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1 limited to contracts, notes, bonds, guaranties, mortgages,  
2 loan agreements, trust indentures, reimbursement agreements,  
3 letters of credit or other liquidity or credit enhancement  
4 agreements, reserve agreements, loan or mortgage purchase  
5 agreements, buy-down agreements, grants, collateral or security  
6 agreements, insurance contracts, or other similar documents.  
7 The agreements may contain any terms and conditions which the  
8 authority determines are reasonably necessary or useful to  
9 implement the purposes of this section or which are usually  
10 included in agreements or documents between private or public  
11 persons in similar transactions.

12 *c.* The power to require submission of evidence satisfactory  
13 to the authority of the receipt by an agricultural producer  
14 of the assistance intended under a program developed and  
15 implemented pursuant to this section. In that connection,  
16 the authority, through its members, employees, or agents,  
17 may inspect the books and records of any person receiving or  
18 involved in the provision of assistance in accordance with this  
19 section.

20 *d.* The power to establish by rule appropriate enforcement  
21 provisions in order to assure compliance with this section and  
22 rules adopted pursuant to this section, to seek the enforcement  
23 of such rules and the terms of any agreement or document by  
24 decree of any court of competent jurisdiction, and to require  
25 as a condition of providing assistance pursuant to this  
26 section the consent of any person receiving or involved in the  
27 provision of the assistance to the jurisdiction of the courts  
28 of this state over any enforcement proceeding.

29 *e.* The power to require, as a condition of the provision  
30 of assistance pursuant to this section, any representations  
31 and warranties on the part of any person receiving or  
32 involved in providing such assistance that the authority  
33 determines are reasonably necessary or useful to carry out the  
34 purposes of this section. A person receiving or involved in  
35 providing assistance pursuant to this section is liable to the

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1 authority for damages suffered by the authority by reason of a  
2 misrepresentation or the breach of a warranty.

3 4. All persons, public and private, are authorized to  
4 cooperate with the authority and to participate in the programs  
5 developed and implemented pursuant to this section and in  
6 accordance with the rules of the authority.

7 5. The powers granted the authority under this section  
8 are in addition to other powers contained in this chapter.  
9 All other provisions of this chapter, except section 16.28,  
10 subsection 4, apply to bonds or notes issued pursuant to powers  
11 granted to the authority under this section, to reserve funds,  
12 to appropriations, and to the remedies of bondholders and  
13 noteholders except to the extent that they are inconsistent  
14 with this section.

15 Sec. 73. NEW SECTION. 16.90 Definition.

16 As used in this subchapter, unless the context otherwise  
17 requires, "*title guaranty*" means a guaranty against loss or  
18 damage caused by a defective title to real property.

19 Sec. 74. Section 16.91, subsection 1, Code 2014, is amended  
20 to read as follows:

21 1. The authority through the Iowa title guaranty division  
22 shall initiate and operate a program in which the division  
23 shall offer guaranties of real property titles in this state.  
24 The terms, conditions and form of the guaranty contract shall  
25 be forms approved by the division board. The division shall  
26 fix a charge for the guaranty in an amount sufficient to permit  
27 the program to operate on a self-sustaining basis, including  
28 payment of administrative costs and the maintenance of an  
29 adequate reserve against claims under the title guaranty  
30 program. A title guaranty fund is created in the office of  
31 the treasurer of state. Funds collected under this program  
32 shall be placed in the title guaranty fund and are available  
33 to pay all claims, necessary reserves and all administrative  
34 costs of the title guaranty program. Moneys in the fund shall  
35 not revert to the general fund and interest on the moneys

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1 in the fund shall be deposited in the housing trust fund  
2 established in section ~~16.181~~ 16.45 and shall not accrue to the  
3 general fund. If the authority board in consultation with the  
4 division board determines that there are surplus funds in the  
5 title guaranty fund after providing for adequate reserves and  
6 operating expenses of the division, the surplus funds shall be  
7 transferred to the housing assistance fund created pursuant to  
8 section 16.40.

9 Sec. 75. Section 16.92, subsection 1, paragraph c, Code  
10 2014, is amended to read as follows:

11 c. "*Division*" means the Iowa title guaranty division in  
12 the Iowa finance authority, the director of the division, or a  
13 designee of the director.

14 Sec. 76. Section 16.93, subsection 1, unnumbered paragraph  
15 1, Code 2014, is amended to read as follows:

16 The authority through the Iowa title guaranty division  
17 may issue a closing protection letter to a person to whom a  
18 proposed title guaranty is to be issued, upon the request of  
19 the person, if the division issues a commitment for title  
20 guaranty or title guaranty certificate. The closing protection  
21 letter shall conform to the terms of coverage and form of the  
22 instrument as approved by the division board and may indemnify  
23 a person to whom a proposed title guaranty is to be issued  
24 against loss of settlement funds due to only the following acts  
25 of the division's named participating attorney, participating  
26 abstractor, or closer:

27 Sec. 77. Section 16.102, Code 2014, is amended to read as  
28 follows:

29 **16.102 Establishment of ~~bond-bank~~ economic development**  
30 **program — bonds and notes — projects.**

31 The authority may assist the development and expansion  
32 of family farming, ~~soil conservation~~, housing, and business  
33 in the state through the establishment of the ~~Iowa~~ economic  
34 development ~~bond-bank~~ program. The authority may issue its  
35 bonds or notes, or series of bonds or notes for the purpose of

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1 defraying the cost of one or more projects and make secured  
2 and unsecured loans for the acquisition and construction of  
3 projects on terms the authority determines.

4 Sec. 78. Section 16.103, unnumbered paragraph 1, Code 2014,  
5 is amended to read as follows:

6 In carrying out the Iowa economic development bond bank  
7 program, the authority may do any of the following:

8 Sec. 79. Section 16.105, subsection 1, unnumbered paragraph  
9 1, Code 2014, is amended to read as follows:

10 The authority may provide in the resolution authorizing  
11 the issuance of its bonds or notes for the Iowa economic  
12 development bond bank program that the principal of, premium,  
13 if any, and interest on the bonds or notes are payable  
14 exclusively from any of the following:

15 Sec. 80. Section 16.105, subsections 10 and 13, Code 2014,  
16 are amended by striking the subsections.

17 Sec. 81. Section 16.131, subsection 1, Code 2014, is amended  
18 to read as follows:

19 1. The authority shall cooperate with the department  
20 of natural resources in the creation, administration, and  
21 financing of the Iowa water pollution control works and  
22 drinking water facilities financing program established in  
23 sections 455B.291 through 455B.299.

24 Sec. 82. Section 16.131A, subsection 8, Code 2014, is  
25 amended to read as follows:

26 8. "Program" means the Iowa water pollution control works  
27 and drinking water facilities financing program created  
28 pursuant to section 455B.294.

29 Sec. 83. Section 16.132, subsection 6, Code 2014, is amended  
30 by striking the subsection.

31 Sec. 84. Section 16.134, subsection 4, paragraph c, Code  
32 2014, is amended to read as follows:

33 c. Priority shall be given to projects in which the  
34 financial assistance is used to obtain financing under the Iowa  
35 water pollution control works and drinking water facilities

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1 financing program pursuant to section 16.131 or other federal  
2 or state financing.

3 EFFECTIVE DATE

4 Sec. 85. EFFECTIVE DATE. This division of this Act takes  
5 effect January 1, 2015.

6 DIVISION II

7 COORDINATING AMENDMENTS

8 GENERAL PROVISIONS

9 Sec. 86. Section 2.48, subsection 3, paragraph c,  
10 subparagraph (4), Code 2014, is amended by striking the  
11 subparagraph.

12 Sec. 87. Section 2.48, subsection 3, paragraph e,  
13 subparagraph (1), Code 2014, is amended to read as follows:

14 (1) (a) The agricultural assets transfer tax credit ~~under~~  
15 as provided in section 175.37 and the 16.80.

16 (b) The custom farming contract tax credit as provided in  
17 ~~section 175.38~~ 16.81.

18 Sec. 88. Section 7C.4A, subsection 4, Code 2014, is amended  
19 to read as follows:

20 4. Twenty-one percent of the state ceiling shall be  
21 allocated to qualified small issue bonds issued for first-time  
22 farmers under chapter ~~175~~ 16, subchapter VIII. However, at any  
23 time during the calendar year the governor's designee, with the  
24 approval of the Iowa finance authority, may determine that a  
25 lesser amount need be allocated to qualified small issue bonds  
26 for first-time farmers and on that date this lesser amount  
27 shall be the amount allocated for those bonds and the excess  
28 shall be allocated under subsection 7.

29 Sec. 89. Section 15F.204, subsection 8, paragraph e, Code  
30 2014, is amended by striking the paragraph.

31 Sec. 90. Section 159.18, subsection 1, Code 2014, is amended  
32 to read as follows:

33 1. As used in this section, "*farm programs*" includes, but  
34 is not limited to, financial incentive programs established  
35 within the division of soil conservation of the department of

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1 agriculture and land stewardship as provided in section 161A.70  
2 and the beginning farmer loan program administered by the Iowa  
3 finance authority as provided in section ~~175.12~~ 16.75.

4 Sec. 91. Section 237.14, Code 2014, is amended to read as  
5 follows:

6 **237.14 Enhanced foster care services.**

7 The department shall provide for enhanced foster  
8 care services by establishing supplemental per diem or  
9 performance-based contracts which include payment of costs  
10 relating to payments of principal and interest for bonds and  
11 notes issued pursuant to section ~~16.155~~ 16.57 with facilities  
12 licensed under this chapter which provide special services to  
13 children who would otherwise be placed in a state juvenile  
14 institution or an out-of-state program. Before completion of  
15 the department's budget estimate as required by section 8.23,  
16 the department shall determine and include in the estimate the  
17 amount which should be appropriated for enhanced foster care  
18 services for the forthcoming fiscal year in order to provide  
19 sufficient services.

20 Sec. 92. Section 422.7, subsection 2, paragraphs e and k,  
21 Code 2014, are amended to read as follows:

22 ~~e. Iowa-water~~ Water pollution control works and drinking  
23 facilities financing program bonds pursuant to section 16.131,  
24 subsection 5.

25 ~~k. Iowa finance authority beginning farmer loan program~~  
26 ~~bonds pursuant to section 175.17~~ 16.64, subsection ~~10~~ 2.

27 Sec. 93. Section 422.11M, Code 2014, is amended to read as  
28 follows:

29 **422.11M Beginning farmers — agricultural assets transfer**  
30 **tax credit and custom farming contract tax credit.**

31 The taxes imposed under this division, less the credits  
32 allowed under section 422.12, shall be reduced by the  
33 following:

34 1. An agricultural assets transfer tax credit as allowed  
35 under section ~~175.37~~ 16.80.

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1     2. A custom farming contract tax credit as allowed under  
2 section ~~175.38~~ 16.81.  
3     Sec. 94. Section 422.33, subsection 21, Code 2014, is  
4 amended to read as follows:  
5     21. The taxes imposed under this division shall be reduced  
6 by the following:  
7     a. An agricultural assets transfer tax credit as allowed  
8 under section ~~175.37~~ 16.80.  
9     b. A custom farming contract tax credit as allowed under  
10 section ~~175.38~~ 16.81.  
11     Sec. 95. Section 422.33, subsection 27, Code 2014, is  
12 amended by striking the subsection.  
13     Sec. 96. Section 428A.8, subsection 2, unnumbered paragraph  
14 1, Code 2014, is amended to read as follows:  
15     The treasurer of state shall deposit or transfer the  
16 receipts paid the treasurer of state pursuant to subsection 1  
17 to either the general fund of the state, the shelter assistance  
18 fund created in section 16.41, or the housing trust fund  
19 created in section 16.181, or the shelter assistance fund  
20 created in section 16.41 16.45 as follows:  
21     Sec. 97. Section 455B.291, subsection 8, Code 2014, is  
22 amended to read as follows:  
23     8. "Program" means the ~~Iowa~~ water pollution control works  
24 and drinking water facilities financing program created  
25 pursuant to section 455B.294.  
26     Sec. 98. Section 455B.294, Code 2014, is amended to read as  
27 follows:  
28     **455B.294 Establishment of the ~~Iowa~~ water pollution control**  
29 **works and drinking water facilities financing program.**  
30     The ~~Iowa~~ water pollution control works and drinking water  
31 facilities financing program is established for the purpose of  
32 making loans available to eligible entities to finance all or  
33 part of the costs of projects. The program shall be a joint and  
34 cooperative undertaking of the department and the authority.  
35 The department and the authority may enter into and provide

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1 any agreements, documents, instruments, certificates, data,  
2 or information necessary in connection with the operation,  
3 administration, and financing of the program consistent with  
4 this part, the Safe Drinking Water Act, the Clean Water Act,  
5 the rules of the department and the commission, the rules of  
6 the authority, and other applicable federal and state law. The  
7 authority and the department may act to conform the program to  
8 the applicable guidance and regulations adopted by the United  
9 States environmental protection agency.

10 Sec. 99. Section 456A.38, subsection 1, paragraph a, Code  
11 2014, is amended to read as follows:

12 a. "Agricultural land", "authority", "beginning farmer", and  
13 "farming" mean the same as defined in section ~~175.2~~ 16.58.

14 Sec. 100. Section 456A.38, subsection 4, Code 2014, is  
15 amended to read as follows:

16 4. The department shall execute a lease with a beginning  
17 farmer selected to participate in the program after such person  
18 has been certified by the authority as a beginning farmer who  
19 meets the requirements of the authority, which shall be based  
20 on section ~~175.12~~ 16.75, subsection 3, paragraphs "a", "c", "f",  
21 and "g".

22 Sec. 101. Section 502.201, subsection 9B, Code 2014, is  
23 amended to read as follows:

24 9B. *Iowa finance authority.* Any security issued by the  
25 Iowa finance authority under chapter ~~175~~ 16, subchapter VIII.

26 Sec. 102. Section 535B.10, subsection 6, paragraph h, Code  
27 2014, is amended to read as follows:

28 h. The administrator may furnish information to the Iowa  
29 title guaranty division of the Iowa finance authority relating  
30 to supervision of closing agent licensees whose activities  
31 relate to the issuance of title guaranty certificates issued  
32 by the title guaranty division. The Iowa title guaranty  
33 division may use this information to satisfy its reinsurance  
34 requirements and may provide the information to its reinsurer  
35 to the extent necessary to satisfy reinsurer requirements

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1 provided the reinsurer agrees to maintain the confidentiality  
2 of the information. The Iowa title guaranty division shall  
3 maintain the confidentiality of the information provided  
4 pursuant to this paragraph in all other respects.

5 Sec. 103. Section 543B.46, subsection 1, Code 2014, is  
6 amended to read as follows:

7 1. Each real estate broker shall maintain a common trust  
8 account in a bank, savings association, or credit union for  
9 the deposit of all down payments, earnest money deposits,  
10 or other trust funds received by the broker or the broker's  
11 salespersons on behalf of the broker's principal, except that a  
12 broker acting as a salesperson shall deposit these funds in the  
13 common trust account of the broker for whom the broker acts as  
14 salesperson. The account shall be an interest-bearing account.  
15 The interest on the account shall be transferred quarterly to  
16 the treasurer of state and transferred to the Iowa finance  
17 authority for deposit in the housing trust fund established  
18 in section ~~16.181~~ 16.45 unless there is a written agreement  
19 between the buyer and seller to the contrary. The broker shall  
20 not benefit from interest received on funds of others in the  
21 broker's possession.

22 Sec. 104. Section 543D.21, subsection 3, Code 2014, is  
23 amended to read as follows:

24 3. In addition to or as an alternative to making application  
25 to the district court for an injunction, the board may issue  
26 an order to a person who is not certified or registered under  
27 this chapter to require compliance with this chapter and may  
28 impose a civil penalty against such person for any violation  
29 of subsection 4 in an amount up to one thousand dollars for  
30 each violation. All civil penalties collected pursuant to this  
31 subsection shall be deposited in the housing trust fund created  
32 in section ~~16.181~~ 16.45. An order issued pursuant to this  
33 section may prohibit a person from applying for certification  
34 or registration under this chapter.

35 Sec. 105. Section 654.16, unnumbered paragraph 1, Code

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1 2014, is amended to read as follows:

2 If a sheriff's sale is ordered on agricultural land used for  
3 farming, as defined in section ~~175.2~~ 16.58, the mortgagor may,  
4 by a date set by the court but not later than ten days before  
5 the sale, designate to the court the portion of the land which  
6 the mortgagor claims as a homestead. The homestead may be any  
7 contiguous portion of forty acres or less of the real estate  
8 subject to the sheriff's sale. The homestead shall contain  
9 the residence of the mortgagor and shall be as compact as  
10 practicable.

11 Sec. 106. Section 654.16A, subsection 1, Code 2014, is  
12 amended to read as follows:

13 1. Not later than the time a sheriff's deed to agricultural  
14 land used for farming, as defined in section ~~175.2~~ 16.58, is  
15 recorded, the grantee recording the sheriff's deed shall notify  
16 the mortgagor of the mortgagor's right of first refusal. The  
17 grantee shall record the sheriff's deed within one year and  
18 sixty days from the date of the sheriff's sale. A copy of  
19 this section, titled "Notice of Right of First Refusal" is  
20 sufficient notice.

21 EFFECTIVE DATE

22 Sec. 107. EFFECTIVE DATE. This division of this Act takes  
23 effect January 1, 2015.

24 DIVISION III

25 CODIFICATION

26 GENERAL PROVISIONS

27 Sec. 108. REORGANIZATION. The Code editor shall create new  
28 subchapters, parts, and subparts in chapter 16, as amended in  
29 this Act, for publication in the 2015 Code as follows:

30 1. Subchapter I may include section 16.1 as amended in this  
31 Act. The subchapter may be entitled "General Definitions".

32 2. Subchapter II may include sections 16.1A, 16.2, and  
33 16.2A, as amended in this Act, and sections 16.2B through  
34 16.2D as enacted in this Act. The subchapter may be entitled  
35 "Governance". The subchapter may be divided into parts as

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1 follows:

2 a. Part 1 may include sections 16.1A and 16.2 as amended in  
3 this Act. The part may be entitled "General".

4 b. Part 2 may include section 16.2A as amended in this Act  
5 and sections 16.2B through 16.2D as enacted in this Act. The  
6 part may be entitled "Special Governing Units".

7 3. Subchapter III may include section 16.2E as enacted in  
8 this Act, section 16.3 as amended by this Act, reserved section  
9 16.3A as repealed in this Act, section 16.4 as amended in  
10 this Act, and sections 16.4A through 16.4D as enacted in this  
11 Act. The subchapter may be entitled "Legislative Findings and  
12 Guiding Principles". The subchapter may be divided into parts  
13 as follows:

14 a. Part 1 may include section 16.2E as enacted in this Act.  
15 The part may be entitled "General".

16 b. Part 2 may include sections 16.3 as amended by this  
17 Act, reserved section 16.3A as repealed in this Act, and  
18 section 16.4 as amended in this Act. The part may be entitled  
19 "Housing".

20 c. Part 3 may include sections 16.4A and 16.4B as enacted in  
21 this Act. The part may be entitled "Agricultural Development".

22 d. Part 4 may include section 16.4C as enacted in this Act.  
23 The part may be entitled "Title Guaranty".

24 e. Part 5 may include section 16.4D as enacted in this Act.  
25 The part may be entitled "Economic Development".

26 4. Subchapter IV may include sections 16.5 as amended in  
27 this Act, reserved sections 16.5A and 16.5B, section 16.5C  
28 as amended in this Act, and section 16.5D as enacted in this  
29 Act. The subchapter may be entitled "Powers and Duties". The  
30 subchapter may be divided into parts as follows:

31 a. Part 1 may include section 16.5 as amended in this  
32 Act, and reserved sections 16.5A and 16.5B. The part may be  
33 entitled "General Powers and Duties".

34 b. Part 2 may include section 16.5C as amended in this Act  
35 and section 16.5D as enacted in this Act. The part may be

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1 entitled "Specific Powers".

2 5. Subchapter V may include section 16.6, section 16.7  
3 as amended in this Act, reserved section 16.8, section 16.9  
4 as amended in this Act, reserved section 16.10 as repealed  
5 in this Act, section 16.11 as enacted in this Act, reserved  
6 section 16.12, section 16.13 as enacted in this Act, reserved  
7 section 16.14, reserved section 16.15 as repealed in this Act,  
8 and sections 16.16 through 16.19 as enacted in this Act. The  
9 subchapter may be entitled "Administration". The subchapter  
10 may be divided into parts as follows:

11 a. Part 1 may include section 16.6. The part may be  
12 entitled "Executive Director".

13 b. Part 2 may include section 16.7 as amended in this  
14 Act, reserved section 16.8, section 16.9 as amended in this  
15 Act, reserved section 16.10 as repealed in this Act, section  
16 16.11 as enacted in this Act, reserved section 16.12, section  
17 16.13 as enacted in this Act, reserved section 16.14, reserved  
18 section 16.15 as repealed in this Act, and section 16.16 as  
19 enacted in this Act. The part may be entitled "General".

20 c. Part 3 may include sections 16.17 through 16.19 as  
21 enacted in this Act. The part may be entitled "Statutory  
22 Construction".

23 6. Subchapter VI may include reserved sections 16.20 and  
24 16.21 as repealed in this Act, section 16.22 as enacted in this  
25 Act, reserved sections 16.23 through 16.25, sections 16.26  
26 and 16.27 as amended in this Act, section 16.27A as enacted  
27 in this Act, section 16.28, section 16.29 as enacted in this  
28 Act, sections 16.30 and 16.31, section 16.32 as enacted in this  
29 Act, and reserved section 16.33 as repealed in this Act. The  
30 subchapter may be entitled "Financing".

31 7. Subchapter VII may include reserved section 16.34 as  
32 repealed in this Act, sections 16.34A through 16.36 as enacted  
33 in this Act, reserved section 16.37 as repealed in this Act,  
34 sections 16.38 and 16.39 as enacted in this Act, section 16.40  
35 as amended in this Act, section 16.41, reserved section 16.42

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1 as repealed in this Act, section 16.43 as enacted in this Act,  
2 section 16.44, sections 16.45 through 16.50 as enacted in  
3 this Act, section 16.51, reserved section 16.52 as repealed  
4 in this Act, sections 16.53 and 16.54, and sections 16.55  
5 through 16.57 as enacted in this Act. The subchapter may be  
6 entitled "Housing". The subchapter may be divided into parts  
7 as follows:

8     a. Part 1 may include reserved section 16.34 as repealed in  
9 this Act and section 16.34A as enacted in this Act. The part  
10 may be entitled "Special Definition".

11     b. Part 2 may include sections 16.35 through 16.36 as  
12 enacted in this Act, and reserved section 16.37 as repealed in  
13 this Act. The part may be entitled "Administration".

14     c. Part 3 may include sections 16.38 and 16.39 as enacted in  
15 this Act. The part may be entitled "Lending Institutions".

16     d. Part 4 may include section 16.40 as amended in this  
17 Act, section 16.41, reserved section 16.42 as repealed in this  
18 Act, section 16.43 as enacted in this Act, section 16.44, and  
19 sections 16.45 through 16.50 as enacted in this Act. The part  
20 may be entitled "Special Funds".

21     e. Part 5 may include section 16.51, reserved section 16.52  
22 as repealed in this Act, sections 16.53 and 16.54, and sections  
23 16.55 through 16.57 as enacted in this Act. The part may be  
24 entitled "Additional Programs".

25     8. Subchapter VIII may include sections 16.58 through 16.64  
26 as enacted in this Act, reserved sections 16.65 through 16.67,  
27 section 16.68 as enacted in this Act, reserved section 16.69,  
28 sections 16.70 and 16.71 as enacted in this Act, reserved  
29 section 16.72, reserved section 16.73 as repealed in this Act,  
30 reserved section 16.74, sections 16.75 and 16.76 as enacted  
31 in this Act, reserved section 16.77, sections 16.78 through  
32 16.84 as enacted in this Act, and reserved sections 16.85  
33 through 16.89. The subchapter may be entitled "Agricultural  
34 Development". The subchapter may be divided into parts as  
35 follows:

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- 1 a. Part 1 may include sections 16.58 and 16.59 as enacted in  
2 this Act. The part may be entitled "General".
- 3 b. Part 2 may include sections 16.60 through 16.63  
4 as enacted in this Act. The part may be entitled  
5 "Administration".
- 6 c. Part 3 may include section 16.64 as enacted in this  
7 Act, reserved sections 16.65 through 16.67, section 16.68 as  
8 enacted in this Act, and reserved section 16.69. The part may  
9 be entitled "Special Financing".
- 10 d. Part 4 may include sections 16.70 and 16.71 as enacted  
11 in this Act, reserved section 16.72, reserved section 16.73 as  
12 repealed in this Act, and reserved section 16.74. The part may  
13 be entitled "Loans to Lending Institutions".
- 14 e. Part 5 may include sections 16.75 and 16.76 as enacted in  
15 this Act, reserved section 16.77, and sections 16.78 through  
16 16.84 as enacted in this Act, and reserved sections 16.85  
17 through 16.89. The part may be entitled "Beginning Farmer  
18 Programs". The part may be divided into subparts as follows:
- 19 (1) Subpart A may include sections 16.75 and 16.76 as  
20 enacted in this Act and reserved section 16.77. The subpart  
21 may be entitled "Beginning Farmer Loan Program".
- 22 (2) Subpart B may include sections 16.78 through 16.82 as  
23 enacted in this Act. The subpart may be entitled "Beginning  
24 Farmer Tax Credit Program".
- 25 (3) Subpart C may include sections 16.83 and 16.84 as  
26 enacted in this Act, and reserved sections 16.85 through 16.89.  
27 The subpart may be entitled "Agricultural Producer Programs".
- 28 9. Subchapter IX may include section 16.90 as enacted  
29 in this Act, and section 16.91 as amended in this Act, and  
30 sections 16.92 through 16.97. The subchapter may be entitled  
31 "Title Guaranty". The subchapter may be divided into parts as  
32 follows:
- 33 a. Part 1 may include section 16.90 as enacted in this Act.  
34 The part may be entitled "General".
- 35 b. Part 2 may include section 16.91 as amended in this Act,

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1 sections 16.92 and 16.93, and reserved sections 16.94 through  
2 16.97. The part may be entitled "Program".

3 10. Subchapter X may include reserved sections 16.98 and  
4 16.99, reserved sections 16.100 and 16.100A as repealed in  
5 this Act, reserved section 16.101, section 16.102, section  
6 16.103 as amended in this Act, section 16.104, section 16.105  
7 as amended in this Act, section 16.106 as repealed by this  
8 Act, reserved sections 16.107 through 16.130, section 16.131  
9 and section 16.132 as amended in this Act, sections 16.133  
10 and 16.133A, sections 16.134 as amended in this Act, section  
11 16.135, reserved sections 16.136 through 16.140, section  
12 16.141, reserved sections 16.142 through 16.154, reserved  
13 section 16.155 as repealed in this Act, reserved sections  
14 16.156 through 16.160, sections 16.161 and 16.162, reserved  
15 sections 16.163 through 16.170, repealed section 16.171 as  
16 repealed in this Act, reserved sections 16.172 through 16.176,  
17 section 16.177, reserved sections 16.178 through 16.180,  
18 reserved sections 16.181 through 16.185 as repealed in this  
19 Act, reserved sections 16.186 and 16.187, reserved section  
20 16.188 as repealed in this Act, reserved sections 16.189  
21 through 16.192, sections 16.193 through 16.196, reserved  
22 section 16.197 as repealed by this Act, reserved sections  
23 16.198 through 16.200, reserved section 16.201 as repealed in  
24 this Act, reserved sections 16.202 through 16.210, reserved  
25 sections 16.211 and 16.212 as repealed in this Act, reserved  
26 sections 16.213 through 16.220, and reserved section 16.221 as  
27 repealed in this Act. The subchapter may be entitled "Special  
28 Financing Programs". The subchapter may be divided into parts  
29 as follows:

30 a. Part 1 may include reserved sections 16.98 and 16.99,  
31 reserved sections 16.100 and 16.100A as repealed in this Act,  
32 reserved section 16.101, sections 16.102 and 16.103 as amended  
33 in this Act, section 16.104, section 16.105 as amended in this  
34 Act, section 16.106 as repealed in this Act, and reserved  
35 sections 16.107 through 16.130. The part may be entitled

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1 "Economic Development Program".

2 b. Part 2 may include sections 16.131 through 16.132 as  
3 amended in this Act, sections 16.133 and 16.133A, section  
4 16.134 as amended in this Act, section 16.135, and reserved  
5 sections 16.136 through 16.140. The part may be entitled  
6 "Water Pollution Control Works and Drinking Water Facilities  
7 Financing".

8 c. Part 3 may include section 16.141 and reserved sections  
9 16.142 through 16.154. The part may be entitled "Unsewered  
10 Community Revolving Loan Program".

11 d. Part 4 may include section 16.155 as repealed in this  
12 Act, reserved sections 16.156 through 16.160, and section  
13 16.161. The part may be entitled "E911 Program".

14 e. Part 5 may include section 16.162 and reserved sections  
15 16.163 through 16.170. The part may be entitled "Community  
16 College Dormitories".

17 f. Part 6 may include section 16.171 and reserved sections  
18 16.172 through 16.176. The part may be entitled "Recovery Zone  
19 Bonds".

20 g. Part 7 may include section 16.177, reserved sections  
21 16.178 through 16.180, reserved sections 16.181 through 16.185  
22 as repealed in this Act, reserved sections 16.186 and 16.187,  
23 reserved section 16.188 as repealed in this Act, and reserved  
24 sections 16.189 and 16.190. The part may be entitled "Prison  
25 Infrastructure Revenue Bonds".

26 h. Part 8 may include reserved sections 16.191 and 16.192,  
27 sections 16.193 through 16.196, reserved section 16.197 as  
28 repealed in this Act, reserved sections 16.198 through 16.200,  
29 reserved section 16.201 as repealed in this Act, reserved  
30 sections 16.202 through 16.210, reserved sections 16.211 and  
31 16.212 as repealed in this Act, reserved sections 16.213  
32 through 16.220, and reserved section 16.221 as repealed by this  
33 Act. The part may be entitled "Iowa Jobs Program".

34 CORRECTIONS AND FURTHER REORGANIZATION

35 Sec. 109. AUTHORITY TO CODE EDITOR. In reorganizing

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1 chapter 16 for publication as part of the 2015 Code, all of the  
2 following shall apply:

3 1. The Code editor shall correct internal references as  
4 necessary.

5 2. Nothing in this Act prevents the Code editor from  
6 organizing chapter 16, as provided in section 2B.13, in a  
7 manner other than specified in this division. The Code editor  
8 may consolidate the subchapters, parts, subparts, or sections  
9 in chapter 16, including by eliminating unused section numbers  
10 and renumbering sections included in chapter 16 as amended by  
11 this Act, and correcting internal references in a manner that  
12 enhances its readability.

13 EFFECTIVE DATE

14 Sec. 110. EFFECTIVE DATE. This division of this Act takes  
15 effect upon enactment.

16 DIVISION IV

17 TRANSITIONAL PROVISIONS

18 ADMINISTRATION

19 Sec. 111. POWERS AND DUTIES OF THE IOWA FINANCE

20 AUTHORITY. This Act does not do any of the following:

21 1. Substantively affect the powers and duties of the Iowa  
22 finance authority provided for in chapter 16 or 175 as either  
23 chapter existed immediately prior to the effective date of this  
24 division of this Act.

25 2. Restrict the Iowa finance authority from adopting a rule,  
26 form, order, or directive that it could have adopted under  
27 chapter 16 or 175 as either chapter existed immediately prior  
28 to the effective date of this division of this Act.

29 Sec. 112. ADMINISTRATION OF ONGOING PROGRAMS. The Iowa  
30 finance authority shall continue the administration of ongoing  
31 programs under chapter 16 or 175, in progress on the effective  
32 date of this division of this Act.

33 Sec. 113. ADMINISTRATIVE RULES AND OTHER ACTIONS AND  
34 DOCUMENTS. Any rule, form, order, or directive promulgated by  
35 the Iowa finance authority pursuant to chapter 16, including

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1 section 16.1A, or chapter 175, as required to administer  
2 and enforce the provisions of chapter 16 as amended in this  
3 Act, shall continue in full force and effect until amended,  
4 rescinded, or supplemented by the affirmative action of the  
5 Iowa finance authority.

6 Sec. 114. GOVERNING BODIES.

7 1. This Act's repeal of section 175.3 and the enactment of  
8 section 16.2C shall not affect the original appointment or term  
9 of office of a member to the agricultural development board by  
10 the governor pursuant to 2013 Iowa Acts, chapter 100. However,  
11 such a member shall comply with any new requirement as provided  
12 in this Act upon reappointment and a new member shall comply  
13 with all requirements as provided in this Act upon appointment  
14 or reappointment.

15 2. This Act's repeal of section 16.100 and the enactment  
16 of section 16.2D shall not affect the appointment or term of  
17 office of a member to the council on homelessness.

18 Sec. 115. PERSONNEL. Nothing in this Act affects personnel  
19 in the state merit system of employment.

20 LEGAL OR EQUITABLE RIGHTS

21 Sec. 116. PENDING ADMINISTRATIVE OR JUDICIAL PROCEEDINGS.

22 1. An administrative or judicial proceeding arising under  
23 chapter 16 or 175 prior to the effective date of this division  
24 of this Act, and pending on the effective date of this division  
25 of this Act, shall not be affected due to the enactment of this  
26 Act.

27 2. A cause of action or statute of limitation relating to  
28 an action taken by a party in a matter arising under chapter 16  
29 or 175 prior to the effective date of this division of this Act  
30 shall not be affected by this Act.

31 3. The Iowa finance authority or the attorney general acting  
32 on behalf of the Iowa finance authority in an administrative  
33 or judicial proceeding pending on the effective date of this  
34 division of this Act shall not be affected as result of this  
35 Act. Any statute of limitation that would have otherwise

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1 applied to the parties in such proceeding shall continue to  
2 apply to the parties as if this Act had not been enacted.

3 Sec. 117. EXISTING RIGHTS AND OBLIGATIONS OF THE IOWA  
4 FINANCE AUTHORITY. Nothing in this Act affects any of the  
5 following:

6 1. An interest in real property, tangible personal  
7 property, or intangible personal property held by the Iowa  
8 finance authority.

9 2. A property right, security interest, or lien held by the  
10 Iowa finance authority, including but not limited to a deed,  
11 contract, or endorsement.

12 3. Any debt, obligation, or liability incurred by the Iowa  
13 finance authority which shall continue according to the same  
14 terms and conditions as applied prior to the effective date of  
15 this division of this Act.

16 Sec. 118. PRESERVATION OF EXISTING RIGHTS.

17 1. This Act shall preserve and shall neither increase nor  
18 decrease a right or obligation of a party or any other person  
19 connected with the issuance, holding, transfer, redemption, or  
20 payment of a bond or note under chapter 16 or 175 as either  
21 chapter existed prior to the effective date of this division  
22 of this Act.

23 2. This Act shall not limit, modify, or otherwise affect  
24 the term or condition of an agreement between the Iowa finance  
25 authority and another person which was originally executed  
26 under chapter 16 or 175 as either chapter existed prior to  
27 the effective date of this division of this Act. This Act  
28 specifically does not affect any program for beginning farmers  
29 or first-time farmers as that program existed under chapter 175  
30 prior to the effective date of this division of this Act.

31 3. This Act shall not limit, modify, or otherwise  
32 adversely affect a taxpayer's right to claim or redeem a tax  
33 credit issued, awarded, or allowed under sections 175.36A  
34 through 175.39, including but not limited to any tax credit  
35 carryforward amount so long as the tax credit was issued,

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1 awarded, or allowed when sections 175.36A through 175.39 were  
2 in effect. A person shall not claim or be issued, awarded,  
3 or allowed the same tax credit under sections 175.36A through  
4 175.39 in effect prior to the effective date of this division  
5 of this Act and chapter 16, subchapter VIII, part 5, as enacted  
6 in this Act on and after the effective date of this division of  
7 this Act.

8

EFFECTIVE DATE

9 Sec. 119. EFFECTIVE DATE. This division of this Act takes  
10 effect on January 1, 2015.

11

DIVISION V

12

CURRENT REPEAL PROVISIONS

13

GENERAL

14 Sec. 120. REPEAL. Sections 16.3A, 16.10, 16.15, 16.20,  
15 16.21, 16.33, 16.34, 16.37, 16.42, 16.44, 16.52, 16.73, 16.100,  
16 16.100A, 16.106, 16.155, 16.171, 16.181, 16.181A, 16.182,  
17 16.183, 16.184, 16.185, 16.188, 16.197, 16.201, 16.211, 16.212,  
18 16.221, and 422.11X, Code 2014, are repealed.

19 Sec. 121. REPEAL. Chapter 175, Code 2014, is repealed.

20

REPEAL OF CONFLICTING INTERVENING PROVISION

21 Sec. 122. REPEAL. Any intervening provision effective  
22 prior to the effective date of this division of this Act that  
23 amends a section or chapter repealed in another section of  
24 this division of this Act is also repealed, unless that Act or  
25 another Act specifically provides otherwise.

26

EFFECTIVE DATE

27 Sec. 123. EFFECTIVE DATE. This division of this Act takes  
28 effect January 1, 2015.

29

DIVISION VI

30

FUTURE PROVISIONS

31

REPEAL OF THE BEGINNING FARMER TAX CREDIT PROGRAM

32 Sec. 124. REPEAL. Section 2.48, subsection 3, paragraph e,  
33 subparagraph (1), subparagraph division (b), as amended by this  
34 Act, is amended by striking the subparagraph division.

35 Sec. 125. REPEAL. Section 16.1, subsection 1, paragraph an,

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1 as enacted by this Act, is amended by striking the paragraph.

2 Sec. 126. REPEAL. Section 16.58, subsections 7, 13,  
3 and 14, as enacted by this Act, are amended by striking the  
4 subsections.

5 Sec. 127. REPEAL. Section 422.11M, subsection 2, as amended  
6 by this Act, is amended by striking the subsection.

7 Sec. 128. REPEAL. Section 422.33, subsection 21,  
8 paragraph b, as amended by this Act, is amended by striking the  
9 paragraph.

10 Sec. 129. REPEAL. Sections 16.78, 16.79, 16.81, and 16.82,  
11 are repealed.

12 Sec. 130. REPEAL. 2013 Iowa Acts, chapter 125, division II,  
13 is repealed.

14 ENACTMENT OF THE AGRICULTURAL ASSETS TRANSFER TAX CREDIT

15 Sec. 131. Section 16.80, as enacted by this Act, is amended  
16 by striking the section and inserting in lieu thereof the  
17 following:

18 **16.80 Agricultural assets transfer tax credit — agreement.**

19 1. An agricultural assets transfer tax credit is allowed  
20 under this section. The tax credit is allowed against the  
21 taxes imposed in chapter 422, division II, as provided in  
22 section 422.11M, and in chapter 422, division III, as provided  
23 in section 422.33, to facilitate the transfer of agricultural  
24 assets from a taxpayer to a beginning farmer.

25 2. In order to qualify for the tax credit, the taxpayer  
26 must meet qualifications established by rules adopted by the  
27 authority. At a minimum, the taxpayer must comply with all of  
28 the following:

29 a. Be a person who may acquire or otherwise obtain or lease  
30 agricultural land in this state pursuant to chapter 9H or 9I.  
31 However, the taxpayer must not be a person who may acquire  
32 or otherwise obtain or lease agricultural land exclusively  
33 because of an exception provided in one of those chapters or in  
34 a provision of another chapter of this Code including but not  
35 limited to chapter 10, 10D, or 501, or section 15E.207.

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1     *b.* Execute an agricultural assets transfer agreement with a  
2 beginning farmer as provided in this section.

3     3. An individual may claim a tax credit under this section  
4 of a partnership, limited liability company, S corporation,  
5 estate, or trust electing to have income taxed directly to  
6 the individual. The amount claimed by the individual shall  
7 be based upon the pro rata share of the individual's earnings  
8 from the partnership, limited liability company, S corporation,  
9 estate, or trust.

10    4. The tax credit is allowed only for agricultural assets  
11 that are subject to an agricultural assets transfer agreement.  
12 The agreement shall provide for the lease of agricultural land  
13 including any improvements and may provide for the rental of  
14 agricultural equipment as defined in section 322F.1.

15     *a.* The agreement may be made on a cash basis or on a  
16 commodity share basis which includes a share of the crops or  
17 livestock produced on the agricultural land. The agreement  
18 must be in writing.

19     *b.* The agreement shall be for at least two years, but  
20 not more than five years. The agreement or that part of  
21 the agreement providing for the lease may be renewed by the  
22 beginning farmer for a term of at least two years, but not more  
23 than five years. An agreement does not include a lease or the  
24 rental of equipment intended as a security.

25    5. The tax credit shall be calculated based on the gross  
26 amount paid to the taxpayer under the agricultural assets  
27 transfer agreement.

28     *a.* Except as provided in paragraph "b", the tax credit shall  
29 equal five percent of the amount paid to the taxpayer under the  
30 agreement.

31     *b.* The tax credit shall equal fifteen percent of the  
32 amount paid to the taxpayer from crops or animals sold under  
33 an agreement in which the payment is exclusively made from the  
34 sale of crops or animals.

35    6. In order to qualify as a beginning farmer, a person

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1 must be eligible to receive financial assistance under section  
2 16.75.

3 7. A tax credit in excess of the taxpayer's liability for  
4 the tax year may be credited to the tax liability for the  
5 following five years or until depleted, whichever is earlier.  
6 A tax credit shall not be carried back to a tax year prior to  
7 the tax year in which the taxpayer redeems the tax credit. A  
8 tax credit shall not be transferable to any other person other  
9 than the taxpayer's estate or trust upon the taxpayer's death.

10 8. A taxpayer shall not claim a tax credit under this  
11 section unless a tax credit certificate issued by the authority  
12 is attached to the taxpayer's tax return for the tax year for  
13 which the tax credit is claimed. The authority must review  
14 and approve an application for a tax credit as provided by  
15 rules adopted by the authority. The application must include  
16 a copy of the agricultural assets transfer agreement. The  
17 authority may approve an application and issue a tax credit  
18 certificate to a taxpayer who has previously been allowed a  
19 tax credit under this section. The authority may require  
20 that the parties to an agricultural assets transfer agreement  
21 provide additional information as determined relevant by the  
22 authority. The authority shall review an application for a tax  
23 credit which includes the renewal of an agricultural assets  
24 transfer agreement to determine that the parties to the renewed  
25 agreement meet the same qualifications as required for an  
26 original application. However, the authority shall not approve  
27 an application or issue a certificate to a taxpayer if any of  
28 the following applies:

29 a. The taxpayer is at fault for terminating a prior  
30 agricultural assets transfer agreement as determined by the  
31 authority.

32 b. The taxpayer is any of the following:

33 (1) A party to a pending administrative or judicial action,  
34 including a contested case proceeding under chapter 17A,  
35 relating to an alleged violation involving an animal feeding

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1 operation as regulated by the department of natural resources,  
2 regardless of whether the pending action is brought by the  
3 department or the attorney general.

4 (2) Classified as a habitual violator for a violation of  
5 state law involving an animal feeding operation as regulated by  
6 the department of natural resources.

7 c. The beginning farmer is responsible for managing or  
8 maintaining agricultural land and other agricultural assets  
9 that are greater than necessary to adequately support a  
10 beginning farmer as determined by the authority according to  
11 rules which shall be adopted by the authority.

12 d. The agricultural assets are being leased or rented at  
13 a rate which is substantially higher or lower than the market  
14 rate for similar agricultural assets leased or rented within  
15 the same community, as determined by the authority.

16 9. A taxpayer or the beginning farmer may terminate an  
17 agricultural assets transfer agreement as provided in the  
18 agreement or by law. The taxpayer must immediately notify the  
19 authority of the termination.

20 a. If the authority determines that the taxpayer is not  
21 at fault for the termination, the authority shall not issue a  
22 tax credit certificate to the taxpayer for a subsequent tax  
23 year based on the approved application. Any prior tax credit  
24 is allowed as provided in this section. The taxpayer may  
25 apply for and be issued another tax credit certificate for the  
26 same agricultural assets as provided in this section for any  
27 remaining tax years for which a certificate was not issued.

28 b. If the authority determines that the taxpayer is at fault  
29 for the termination, any prior tax credit allowed under this  
30 section is disallowed. The tax credit shall be recaptured  
31 and the amount of the tax credit shall be immediately due and  
32 payable to the department of revenue. If a taxpayer does  
33 not immediately notify the authority of the termination,  
34 the taxpayer shall be conclusively deemed at fault for the  
35 termination.

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1 10. The amount of tax credit certificates that may be issued  
2 pursuant to this section shall not exceed six million dollars  
3 in any fiscal year. The authority shall issue the tax credit  
4 certificates on a first-come, first-served basis.

5 REPEAL OF INTERVENING PROVISIONS

6 Sec. 132. REPEAL. Any intervening provision effective  
7 prior to the effective date of this division of this Act  
8 that amends a section, subsection, paragraph, subparagraph,  
9 or subparagraph division repealed in another section of this  
10 division of this Act is also repealed, unless that Act or  
11 another Act specifically provides otherwise.

12 PROPOSED LEGISLATION

13 Sec. 133. IOWA FINANCE AUTHORITY. The Iowa finance  
14 authority established in chapter 16 shall propose legislation  
15 to the general assembly necessary to implement this division  
16 of this Act. The Iowa finance authority shall propose such  
17 legislation for consideration by the general assembly during  
18 its 2017 legislative session.

19 EFFECTIVE DATE

20 Sec. 134. EFFECTIVE DATES.

21 1. a. Except as provided in subsection 2, this division of  
22 this Act takes effect January 1, 2018.

23 b. The section of this division of this Act which enacts  
24 the agricultural assets transfer tax credit as codified in  
25 section 16.80 takes effect instantly upon the repeal of the  
26 agricultural assets transfer tax credit previously codified in  
27 section 16.80 and enacted in another division of this Act.

28 2. The section of this division of this Act which requires  
29 the Iowa finance authority to propose legislation for  
30 consideration by the general assembly takes effect July 1,  
31 2016.

32 EXPLANATION

33 The inclusion of this explanation does not constitute agreement with  
34 the explanation's substance by the members of the general assembly.

35 BACKGROUND — GENERAL. Code chapter 16 establishes the

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1 Iowa finance authority (IFA) under the authority of a board  
2 of directors and supervised by an executive director. The  
3 IFA administers a number of programs including programs that  
4 address housing needs, such as programs to assist low-income  
5 to moderate-income families in attaining housing, and homeless  
6 assistance. The authority also provides a number of other  
7 programs relating to title guaranties, and financing to further  
8 economic development, drinking water and waste water systems,  
9 residential treatment facilities, E-911, community college  
10 dormitories, prison infrastructure, Iowa job creation, and  
11 disaster recovery.

12 BACKGROUND — 2013 LEGISLATION. In 2013, the 85th General  
13 Assembly enacted HF 607 (2013 Iowa Acts, chapter 100) which  
14 transferred the powers and duties of the agricultural  
15 development authority organized under Code chapter 175 to IFA.  
16 Code chapter 175 establishes a number of programs to assist  
17 farmers, including beginning farmers, to start or expand their  
18 operations. Code chapter 16 and Code chapter 175 include  
19 provisions authorizing debt financing, including the issuance  
20 of bonds and debts, and provides a framework for the state  
21 to cooperate with financial institutions in order to provide  
22 affordable credit.

23 GOVERNING STRUCTURE. IFA is headed by a board of directors  
24 appointed by the governor and is supervised by an executive  
25 director. House File 607 created an agricultural development  
26 division within the authority. The division is administered by  
27 a new agricultural development board.

28 BILL'S PROVISIONS — REORGANIZATION. This bill incorporates  
29 the provisions of Code chapter 175 into Code chapter 16. It  
30 also effectively moves provisions within Code chapter 16 in  
31 order to enhance its readability. It accomplishes this goal by  
32 repealing provisions in the two Code chapters and reenacting  
33 the provisions within Code chapter 16, and dividing the Code  
34 chapter into a number of subchapters and parts within those  
35 subchapters. In some instances, the provisions in Code

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1 chapter 175 are similar to provisions in Code chapter 16 and  
2 in those circumstances the bill either amends the provisions  
3 in Code chapter 16 or does not enact the duplicative provision  
4 currently in Code chapter 175. In all other cases, the  
5 bill enacts provisions in Code chapter 175 as part of a new  
6 subchapter in Code chapter 16.

7 BILL'S PROVISIONS — NAME CHANGES. The bill makes changes in  
8 a number of names. The name of the "title guaranty division"  
9 is changed to the "Iowa title guaranty division". The name of  
10 the "Iowa economic development bond bank program" is changed  
11 to the "economic development program". The name of the "Iowa  
12 water pollution control works and drinking water facilities  
13 financing program" is changed to the "water pollution control  
14 works and drinking water facilities financing program".

15 BILL'S PROVISIONS — TERMINOLOGY CHANGES. The bill changes  
16 the term "mortgage lender" to "lending institution". A lending  
17 institution is defined to include a bank, trust company,  
18 mortgage company, national banking association, federal savings  
19 association, or life insurance company; any state or federal  
20 governmental agency or instrumentality; the federal land bank  
21 or any of its local associations; or any other institution  
22 authorized to make loans in this state.

23 BILL'S PROVISIONS — REVISION OR ELIMINATION OF PROGRAMS  
24 AND DUTIES. The bill eliminates a number of programs,  
25 including the disaster recovery housing project tax credit,  
26 the soil conservation loan program, and the assistance and  
27 management programs for beef cattle producers. It eliminates  
28 a requirement that the authority report semiannually to the  
29 standing committees on government oversight. It provides  
30 that members of the agricultural development board are to be  
31 confirmed by the senate. It expands the provisions which  
32 allow programs to be combined to include any public or private  
33 program. The bill revises a number of requirements regarding  
34 the beginning farmer program, including by expanding the types  
35 of loans that may be provided to beginning farmers, eliminating

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1 requirements that all partners in a family farm partnership,  
2 shareholders in a family farm corporation, and members of  
3 a family farm limited liability company all be residents  
4 of the state. It removes a requirement that all partners,  
5 shareholders, or members have sufficient education, training,  
6 or experience in farming. It removes a requirement that  
7 agricultural land or improvements financed under the program  
8 can only be used for farming by partners, shareholders, or  
9 members.

10 BILL'S PROVISIONS — CONSOLIDATION. The bill consolidates a  
11 number of provisions that were included in Code chapter 16 and  
12 applicable to certain programs or under Code chapter 175, and  
13 makes them generally applicable to all programs administered  
14 by the authority under the Code chapter, including provisions  
15 which apply to the management of reserve funds, and powers  
16 relating to loans.

17 BEGINNING FARMER TAX CREDIT PROGRAM. In 2013, the general  
18 assembly also enacted HF 599 (2013 Iowa Acts, chapter 125)  
19 which created a beginning farmer tax credit program, which  
20 expanded an existing agricultural assets transfer tax credit  
21 and created a new custom farming contract tax credit. On  
22 December 31, 2017, the provisions of that Act are repealed  
23 and the former version of the agricultural assets transfer  
24 tax credit is to be restored. The bill still repeals the  
25 provisions in HF 599 and restores the old agricultural assets  
26 transfer tax credit on the same date but the bill codifies the  
27 old tax credit as part of its new subchapter in Code chapter  
28 16.

29 TRANSITIONAL PROVISIONS. The bill includes a number of  
30 transitional provisions that provide that IFA will continue to  
31 administer programs under new Code chapter 16 as it formally  
32 did under current Code chapter 16 or repealed Code chapter 175.

33 EFFECTIVE DATES. Generally, the bill's provisions take  
34 effect on January 1, 2015, except for the elimination of the  
35 beginning farmer tax credit program and the resurrection of the

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1 agricultural assets transfer tax credit on January 1, 2018.  
2 IFA remains responsible for proposing legislation by July 1,  
3 2016, to accomplish the bill's objectives.



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**House File 2429 - Introduced**

HOUSE FILE 2429  
BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO HF 571)  
(SUCCESSOR TO HSB 210)

**A BILL FOR**

1 An Act relating to Iowa's operating-while-intoxicated law and  
2 license revocations, temporary restricted licenses, and  
3 ignition interlock devices.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 321J.2, subsection 3, paragraph c,  
2 unnumbered paragraph 1, Code 2014, is amended to read as  
3 follows:

4 Assessment of a fine of one thousand two hundred fifty  
5 dollars. However, ~~in the discretion of the court,~~ if no  
6 personal ~~or property~~ injury has resulted from the defendant's  
7 actions, the court ~~may~~ shall waive ~~up to~~ six hundred  
8 twenty-five dollars of the fine when the defendant presents to  
9 the court ~~at the end of the minimum period of ineligibility~~  
10 a temporary restricted license issued pursuant to section  
11 321J.20.

12 Sec. 2. Section 321J.2, subsection 3, paragraph d, Code  
13 2014, is amended by striking the paragraph.

14 Sec. 3. Section 321J.2, subsection 4, paragraph c, Code  
15 2014, is amended by striking the paragraph.

16 Sec. 4. Section 321J.2, subsection 5, paragraph c, Code  
17 2014, is amended by striking the paragraph.

18 Sec. 5. Section 321J.4, Code 2014, is amended by striking  
19 the section and inserting in lieu thereof the following:

20 **321J.4 Revocation of license — conditional temporary**  
21 **restricted license.**

22 1. *Revocation.* If a defendant is convicted of a violation  
23 of section 321J.2, the defendant's driver's license or  
24 nonresident operating privileges shall be revoked as follows:

25 a. *First offense.* If the defendant has had no previous  
26 conviction or revocation under this chapter and the defendant's  
27 driver's license or nonresident operating privilege has not  
28 been revoked under section 321J.9 or 321J.12 for the occurrence  
29 from which the arrest arose, the department shall revoke the  
30 defendant's driver's license or nonresident operating privilege  
31 for the following periods of time:

32 (1) Test result. One hundred eighty days if the defendant  
33 submitted to chemical testing.

34 (2) Refusal to submit. One year if the defendant refused  
35 to submit to chemical testing.

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1     *b. Second offense.* If the defendant has had a previous  
2 conviction or revocation under this chapter and the defendant's  
3 driver's license or nonresident operating privilege has not  
4 been revoked under section 321J.9 or 321J.12 for the occurrence  
5 from which the arrest arose, the department shall revoke the  
6 defendant's driver's license or nonresident operating privilege  
7 for the following periods of time:

8         (1) Test result. One year if the defendant submitted to  
9 chemical testing.

10        (2) Refusal to submit. Two years if the defendant refused  
11 to submit to chemical testing.

12     *c. Third or subsequent offense.* Upon a plea or verdict  
13 of guilty of a third or subsequent violation of section  
14 321J.2, the department shall revoke the defendant's driver's  
15 license or nonresident operating privilege for a period of six  
16 years. The defendant shall not be eligible for a temporary  
17 restricted license for one year after the effective date of the  
18 revocation.

19     *d. Offense involving personal injury.* Upon a plea or  
20 verdict of guilty of a violation of section 321J.2 which  
21 involved a personal injury, the court shall determine in open  
22 court, from consideration of the information in the file and  
23 any other evidence the parties may submit, whether a serious  
24 injury was sustained by any person other than the defendant  
25 and, if so, whether the defendant's conduct in violation of  
26 section 321J.2 caused the serious injury. If the court so  
27 determines, the court shall order the department to revoke the  
28 defendant's driver's license or nonresident operating privilege  
29 for a period of one year in addition to any other period of  
30 suspension or revocation. The defendant shall surrender to the  
31 court any Iowa license or permit and the court shall forward it  
32 to the department with a copy of the order for revocation.

33     *e. Offense involving a death.* Upon a plea or verdict of  
34 guilty of a violation of section 321J.2 which involved a death,  
35 the court shall determine in open court, from consideration of

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1 the information in the file and any other evidence the parties  
2 may submit, whether a death occurred and, if so, whether the  
3 defendant's conduct in violation of section 321J.2 caused the  
4 death. If the court so determines, the court shall order  
5 the department to revoke the defendant's driver's license or  
6 nonresident operating privilege for a period of six years. The  
7 defendant shall not be eligible for any temporary restricted  
8 license for at least two years after the revocation. The  
9 defendant shall surrender to the court any Iowa license or  
10 permit and the court shall forward it to the department with a  
11 copy of the order for revocation.

12 2. *Revocation or denial period.* If a license or permit  
13 to operate a motor vehicle is revoked or denied under this  
14 section or section 321J.9 or 321J.12, the period of revocation  
15 or denial shall be the period provided for such a revocation  
16 or until the defendant reaches the age of eighteen whichever  
17 period is longer.

18 Sec. 6. Section 321J.9, subsection 1, paragraphs a and b,  
19 Code 2014, are amended to read as follows:

20 a. *First offense.* One year if the person has no previous  
21 revocation under this chapter; ~~and.~~

22 b. *Second or subsequent offense.* Two years if the person  
23 has had a previous revocation under this chapter.

24 Sec. 7. Section 321J.9, subsection 2, Code 2014, is amended  
25 by striking the subsection.

26 Sec. 8. Section 321J.12, subsection 1, paragraphs a and b,  
27 Code 2014, are amended to read as follows:

28 a. *First offense.* One hundred eighty days if the person has  
29 had no previous revocation under this chapter.

30 b. *Second or subsequent offense.* One year if the person has  
31 had a previous revocation under this chapter.

32 Sec. 9. Section 321J.12, subsection 2, Code 2014, is amended  
33 by striking the subsection.

34 Sec. 10. Section 321J.12, subsection 5, Code 2014, is  
35 amended to read as follows:

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1 5. Upon certification, subject to penalty of perjury, by the  
2 peace officer that there existed reasonable grounds to believe  
3 that the person had been operating a motor vehicle in violation  
4 of section 321J.2A, that there existed one or more of the  
5 necessary conditions for chemical testing described in section  
6 321J.6, subsection 1, and that the person submitted to chemical  
7 testing and the test results indicated an alcohol concentration  
8 of .02 or more but less than .08, the department shall revoke  
9 the person's driver's license or operating privilege for a  
10 ~~period of sixty the following periods of time:~~

11 a. First offense. Sixty days if the person has had no  
12 previous revocation under this chapter, ~~and for a period of~~  
13 ~~ninety.~~

14 b. Second or subsequent offense. Ninety days if the person  
15 has had a previous revocation under this chapter.

16 Sec. 11. Section 321J.20, Code 2014, is amended to read as  
17 follows:

18 **321J.20 Temporary restricted license — ignition interlock**  
19 **devices.**

20 1. a. The department may, on application, issue a temporary  
21 restricted license to a person whose noncommercial driver's  
22 license is revoked under this chapter allowing the person to  
23 drive to and from the person's home and specified places at  
24 specified times which can be verified by the department and  
25 which are required by the person's full-time or part-time  
26 employment, continuing health care or the continuing health  
27 care of another who is dependent upon the person, continuing  
28 education while enrolled in an educational institution on a  
29 part-time or full-time basis and while pursuing a course of  
30 study leading to a diploma, degree, or other certification of  
31 successful educational completion, substance abuse treatment or  
32 support such as alcoholics anonymous, court-ordered community  
33 service responsibilities, and transport of the person's  
34 dependent minor child to and from child care when necessary  
35 for the person's full-time or part-time employment and for the

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1 dependent child's educational activities, appointments with the  
2 person's parole or probation officer if the person's driver's  
3 license has not been revoked previously under section 321J.4,  
4 321J.9, or 321J.12 and, church or other religious institution  
5 attendance, or travel to and from a grocery store or gas  
6 station if any of the following apply:

7 (1) The person's noncommercial driver's license is revoked  
8 under section 321J.4 ~~and the minimum period of ineligibility~~  
9 ~~for issuance of a temporary restricted license has expired.~~  
10 ~~This subsection shall not apply to a revocation ordered under~~  
11 ~~section 321J.4 resulting from a plea or verdict of guilty of a~~  
12 ~~violation of section 321J.2 that involved a death except for a~~  
13 ~~revocation under section 321J.4, subsection 1, paragraph "c"~~  
14 ~~or "e".~~

15 (2) The person's noncommercial driver's license is revoked  
16 under section 321J.9 ~~and the person has entered a plea of~~  
17 ~~guilty on a charge of a violation of section 321J.2 which~~  
18 ~~arose from the same set of circumstances which resulted in~~  
19 ~~the person's driver's license revocation under section 321J.9~~  
20 ~~and the guilty plea is not withdrawn at the time of or after~~  
21 ~~application for the temporary restricted license, and the~~  
22 ~~minimum period of ineligibility for issuance of a temporary~~  
23 ~~restricted license has expired.~~

24 (3) The person's noncommercial driver's license is revoked  
25 under section 321J.12, ~~and the minimum period of ineligibility~~  
26 ~~for issuance of a temporary restricted license has expired.~~

27 ~~b. A temporary restricted license may be issued under this~~  
28 ~~subsection if the person's noncommercial driver's license is~~  
29 ~~revoked for two years under section 321J.4, subsection 2, or~~  
30 ~~section 321J.9, subsection 1, paragraph "b", and the first three~~  
31 ~~hundred sixty-five days of the revocation have expired.~~

32 ~~a. b.~~ This subsection does not apply to a person whose  
33 license was revoked under section 321J.2A ~~or section 321J.4,~~  
34 ~~subsection 4 or 6,~~ or to a person whose license is suspended or  
35 revoked for another reason.

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1 ~~d. Following the applicable minimum period of ineligibility,~~  
2 ~~a temporary restricted license under this subsection shall~~  
3 ~~not be issued until the applicant installs an ignition~~  
4 ~~interlock device of a type approved by the commissioner of~~  
5 ~~public safety on all motor vehicles owned or operated by the~~  
6 ~~applicant in accordance with section 321J.2, 321J.4, 321J.9,~~  
7 ~~or 321J.12. Installation of an ignition interlock device~~  
8 ~~under this subsection shall be required for the period of time~~  
9 ~~for which the temporary restricted license is issued and for~~  
10 ~~such additional period of time following reinstatement as is~~  
11 ~~required under section 321J.17, subsection 3.~~

12 2. ~~a.~~ Notwithstanding section 321.560, the department may,  
13 on application, and upon the expiration of the minimum period  
14 of ineligibility for a temporary restricted license provided  
15 for under section 321.560, 321J.4, 321J.9, or 321J.12, issue a  
16 temporary restricted license to a person whose noncommercial  
17 driver's license has either been revoked under this chapter, or  
18 revoked or suspended under chapter 321 solely for violations  
19 of this chapter, or who has been determined to be a habitual  
20 offender under chapter 321 based solely on violations of  
21 this chapter or on violations listed in section 321.560,  
22 subsection 1, paragraph "b", and who is not eligible for a  
23 temporary restricted license under subsection 1. However,  
24 the department may not issue a temporary restricted license  
25 under this subsection for a violation of section 321J.2A ~~or~~  
26 ~~to a person under the age of twenty-one whose license is~~  
27 ~~revoked under section 321J.4, 321J.9, or 321J.12.~~ A temporary  
28 restricted license issued under this subsection may allow the  
29 person to drive to and from the person's home and specified  
30 places at specified times which can be verified by the  
31 department and which are required by the person's full-time or  
32 part-time employment; continuing education while enrolled in an  
33 educational institution on a part-time or full-time basis and  
34 while pursuing a course of study leading to a diploma, degree,  
35 or other certification of successful educational completion;

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1 or substance abuse treatment.

2     3. The department shall not issue a temporary restricted  
3 license under this section until any applicable minimum  
4 period of ineligibility for a temporary restricted license has  
5 expired. If the applicant is under the age of twenty-one, the  
6 applicant shall not be eligible for a temporary restricted  
7 license for at least sixty days after the effective date of  
8 revocation or suspension.

9     ~~b-~~ 4. A The department shall not issue a temporary  
10 restricted license issued under this subsection shall  
11 not be issued section until the applicant installs an  
12 approved ignition interlock device of a type approved by the  
13 commissioner of public safety on all motor vehicles owned  
14 or operated by the applicant. Installation of an ignition  
15 interlock device under this subsection section shall be  
16 required for the period of time for which the temporary  
17 restricted license is issued, and for such additional period  
18 of time following reinstatement as is required under section  
19 321J.17, subsection 3. However, a person whose driver's  
20 license or nonresident operating privilege has been revoked  
21 under section 321J.21 may apply to the department for a  
22 temporary restricted license without the requirement of  
23 an ignition interlock device if at least twelve years have  
24 elapsed since the end of the underlying revocation period for  
25 a violation of section 321J.2.

26     ~~3-~~ 5. If a person required to install an ignition interlock  
27 device operates a motor vehicle which does not have an approved  
28 ignition interlock device or if the person tampers with or  
29 circumvents an ignition interlock device, in addition to other  
30 penalties provided, the person's temporary restricted license  
31 shall be revoked.

32     ~~4-~~ 6. A person holding a temporary restricted license  
33 issued by the department under this section subsection 2 shall  
34 not operate a motor vehicle for pleasure.

35     ~~5-~~ 7. A person holding a temporary restricted license

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1 issued by the department under this section shall not operate  
2 a commercial motor vehicle on a highway if a commercial  
3 driver's license is required for the person's operation of the  
4 commercial motor vehicle.

5 ~~6-~~ 8. A person holding a temporary license issued by the  
6 department under this ~~chapter~~ section shall ~~be prohibited from~~  
7 ~~operating~~ not operate a school bus.

8 ~~7-~~ 9. Notwithstanding any provision of this chapter to  
9 the contrary, the department may issue a temporary restricted  
10 license to a person otherwise eligible for a temporary  
11 restricted license under this section, whose period of  
12 revocation under this chapter has expired, but who has not met  
13 all requirements for reinstatement of the person's driver's  
14 license or nonresident operating privileges.

15 ~~8-~~ 10. A person who tampers with or circumvents an ignition  
16 interlock device installed as required in this chapter and  
17 while the requirement for the ignition interlock device is in  
18 effect commits a serious misdemeanor.

19 EXPLANATION

20 The inclusion of this explanation does not constitute agreement with  
21 the explanation's substance by the members of the general assembly.

22 This bill relates to Iowa's operating-while-intoxicated  
23 (OWI) law and driver's license revocations, temporary  
24 restricted licenses, and ignition interlock devices.

25 FIRST OFFENSE OWI — FINE. Current law requires a court to  
26 assess a fine against a person convicted of a first offense  
27 operating-while-intoxicated offense. The court has the  
28 discretion to waive up to \$625 of the fine if no personal or  
29 property injury resulted from the offense. The bill requires  
30 the court to waive \$625 of the fine, if no personal injury  
31 resulted from the offense, when the defendant receives a  
32 temporary restricted license.

33 DUPLICATIVE LICENSE REVOCATION PROVISIONS. The bill  
34 eliminates duplicative provisions relating to court-ordered  
35 license revocations for first, second, and third and

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1 subsequent violations of Code section 321J.2 (Iowa's OWI law).  
2 The bill maintains provisions relating to administrative  
3 license revocations currently imposed by the department of  
4 transportation pursuant to Code sections 321J.4 (license  
5 revocations based on criminal OWI offenses), 321J.9 (license  
6 revocations relating to refusals to submit to chemical  
7 testing), and 321J.12 (license revocations based on test  
8 failures).

9 INELIGIBILITY PERIODS — TEMPORARY RESTRICTED LICENSES  
10 AND IGNITION INTERLOCK DEVICES. The bill eliminates certain  
11 provisions in Code sections 321J.4 (license revocations  
12 based on criminal OWI offenses), 321J.9 (test refusals), and  
13 321J.12 (license revocations based on test result failures)  
14 that currently provide eligibility restrictions for temporary  
15 restricted licenses and requirements for the installation of  
16 ignition interlock devices, dependent upon the number of prior  
17 offenses, blood alcohol level, and whether the offense involved  
18 an accident causing personal injury or property damage. The  
19 ineligibility periods for a temporary restricted license are  
20 maintained for third and subsequent OWI offenses and for  
21 offenses involving a death.

22 TEMPORARY RESTRICTED LICENSE RESTRICTIONS. Current law  
23 provides that the department may issue a temporary restricted  
24 license to a person whose noncommercial driver's license is  
25 revoked dependent upon the circumstances under Code section  
26 321J.4, 321J.9, or 321J.12 to allow a person to drive to and  
27 from the person's home and specified places at specified times  
28 which are required by the person's full-time or part-time  
29 employment, continuing health care, continuing education  
30 while enrolled in an educational institution on a part-time  
31 or full-time basis and while pursuing a course of study  
32 leading to a diploma, degree, or other certification of  
33 successful educational completion, substance abuse treatment,  
34 court-ordered community service, and appointments with the  
35 person's parole or probation officer. The bill expands



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1 this list to include transport of the person's dependent  
2 minor child for child care and educational activities under  
3 certain circumstances, church or other religious institution  
4 attendance, or to go to the grocery store or get gas.





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House Resolution 109 - Introduced

HOUSE RESOLUTION NO. 109

BY HEARTSILL, SALMON, GASSMAN, WINDSCHITL, JORGENSEN,  
SHAW, R. TAYLOR, WATTS, GUSTAFSON, ALONS,  
RIDING, OURTH, ROGERS, KOESTER, DOLECHECK,  
BRANDENBURG, BACON, COSTELLO, SHEETS, FISHER, FRY,  
THEDE, LOFGREN, DAWSON, HAGENOW, DUNKEL, BERRY,  
ABDUL-SAMAD, GAINES, MAXWELL, KLEIN, PETTENGILL,  
GRASSLEY, SODERBERG, FORBES, SANDS, HEATON,  
SCHULTZ, LANDON, RAYHONS, DRAKE, and MUHLBAUER

1 A Resolution recognizing February 10, 2014, as the  
2 60th anniversary of the introduction of federal  
3 legislation to add the words, "under God," to the  
4 United States Pledge of Allegiance.

5 WHEREAS, the Pledge of Allegiance of the United  
6 States is an expression of loyalty to the federal flag  
7 and the republic of the United States of America,  
8 originally composed by Francis Bellamy in 1892 and  
9 formally adopted by the United States Congress as the  
10 pledge in 1942; and

11 WHEREAS, on February 7, 1954, President Dwight D.  
12 Eisenhower became convinced that adding the words,  
13 "under God," to the United States Pledge of Allegiance  
14 would be the right thing to do after hearing Reverend  
15 George Docherty preach that the phrase, "nation  
16 under God," first used in the Gettysburg Address, was  
17 appropriate to be added to the United States Pledge of  
18 Allegiance because freedom "is defined by a fundamental  
19 belief in God"; and

20 WHEREAS, in February 1954, Senator Homer Ferguson  
21 and Representative Charles Oakman of Michigan

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1 introduced bills in the United States Congress to amend  
2 the Pledge of Allegiance by adding the words, "under  
3 God," to the text of the pledge; and

4 WHEREAS, February 10, 1954, was chosen as the date  
5 to introduce the bill by Senator Ferguson because it  
6 was the five-year anniversary of the imprisonment  
7 of Cardinal Joseph Mindszenty of Hungary, who was  
8 imprisoned and tortured by communists for his sermons  
9 exposing the goal of communism to eradicate all  
10 religion; and

11 WHEREAS, speeches were delivered in the United  
12 States Congress by members of both political parties,  
13 honoring Cardinal Mindszenty and emphasizing the threat  
14 posed to America by communism; and

15 WHEREAS, the vote to add "under God" to the United  
16 States Pledge of Allegiance was a unanimous vote; and

17 WHEREAS, the bill adding the language was signed  
18 into law by President Eisenhower on Flag Day, June 14,  
19 1954; NOW THEREFORE,

20 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES,  
21 That the House of Representatives recognizes February  
22 10, 2014, as the 60th anniversary of the addition of  
23 the words, "under God," to the United States Pledge of  
24 Allegiance.

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House Resolution 110 - Introduced

HOUSE RESOLUTION NO. 110

BY HESS and THEDE

1 A Resolution recognizing March 2014 as Iowa Women's  
2 History Month.

3 WHEREAS, Iowa women of every race, class, and  
4 ethnic background have made historic contributions  
5 to the growth and strength of our state and nation  
6 in countless recorded and unrecorded ways, including  
7 through the struggle for women's rights despite being  
8 underpaid; and

9 WHEREAS, Iowa women were particularly important in  
10 the establishment of early charitable, philanthropic,  
11 and cultural institutions in our state and nation; and

12 WHEREAS, Iowa women and men amended the Iowa  
13 Constitution to read that "All men and women are, by  
14 nature, free and equal, and have certain inalienable  
15 rights..."; and

16 WHEREAS, Iowa women have been leaders in  
17 agriculture, business, industry, and academia, as  
18 well as the abolitionist movement, the emancipation  
19 movement, the industrial labor movement, the civil  
20 rights movement, the peace movement, and the women's  
21 suffrage movement, which create a more fair and just  
22 society for all; and

23 WHEREAS, despite these contributions, and those  
24 of women throughout the world, the role of women has  
25 been consistently overlooked and undervalued, in  
26 the literature, teaching, and study of history; NOW  
27 THEREFORE,

28 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES, That

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H.R. 110

1 the House of Representatives recognizes the month of  
2 March 2014 as Iowa Women's History Month and invites  
3 the citizens of Iowa to continue to uncover the roles  
4 women have played throughout history.



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House Resolution 111 - Introduced

HOUSE RESOLUTION NO. 111

BY HANUSA, RUNNING-MARQUARDT, KAUFMANN, DEYOE, WOOD,  
DUNKEL, THOMAS, JORGENSEN, JACOBY, ALONS, FRY,  
HIGHFILL, SCHULTZ, HEARTSILL, MURPHY, OURTH,  
T. OLSON, GUSTAFSON, WORTHAN, BACON, COHOON, J.  
SMITH, GASKILL, STUTSMAN, SHAW, GASSMAN, LOFGREN,  
ROGERS, SHEETS, BALTIMORE, COSTELLO, SODERBERG,  
DRAKE, WATTS, MOORE, HAGENOW, R. TAYLOR, H. MILLER,  
ISENHART, BEARINGER, ABDUL-SAMAD, KEARNS, and  
HEDDENS

1 A Resolution to recognize the Iowa Small Business  
2 Development Centers and honor 2013 award winners.  
3 WHEREAS, since 1981, the Iowa Small Business  
4 Development Centers have provided expert and  
5 confidential business counseling services and training  
6 workshops to entrepreneurs in all 99 Iowa counties; and  
7 WHEREAS, the Iowa Small Business Development Centers  
8 provide a wide variety of services to foster the growth  
9 of Iowa business, including one-to-one professional  
10 business counseling, learning opportunities,  
11 workshops, courses and classes, and a variety of other  
12 services; and  
13 WHEREAS, the Iowa Small Business Development Centers  
14 have announced the 2013 award winners for the centers'  
15 two special entrepreneur awards; and  
16 WHEREAS, Heidi Bell, the owner of From The Ground  
17 in Leon, is the 2013 Deb Dalziel Woman Entrepreneur  
18 Achievement Award winner, an award which honors an Iowa  
19 woman entrepreneur who has significantly changed or  
20 improved her life and the lives of others; and

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H.R. 111

1 WHEREAS, Michael Sexton, the founder and owner of  
2 Real Time Ag in Rockwell City, has received the 2013  
3 Neal Smith Entrepreneur of the Year Award, an award  
4 named in honor of the long-serving Iowa congressman,  
5 given to an Iowa entrepreneur who has been in business  
6 a minimum of three years and has been significantly  
7 assisted by an Iowa Small Business Development  
8 Center; and

9 WHEREAS, the two special entrepreneur awards will  
10 be presented to the winners in a special ceremony on  
11 March 4, 2014, at the State Capitol in Des Moines; NOW  
12 THEREFORE,

13 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES, That  
14 the House of Representatives honors award winners Heidi  
15 Bell and Michael Sexton, congratulates them on their  
16 success, and recognizes and expresses its thanks to  
17 the Iowa Small Business Development Centers for their  
18 ongoing work in making Iowa a better place to live and  
19 work.

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House Study Bill 667 - Introduced

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL BY  
CHAIRPERSON SANDS)

A BILL FOR

1 An Act relating to funding of unified law enforcement  
2 districts, legalizing certain district budgets, and  
3 including effective date and retroactive applicability  
4 provisions.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5371YC (3) 85  
tm/sc



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H.F. \_\_\_\_\_

1 Section 1. Section 28E.23, subsection 1, Code 2014, is  
2 amended to read as follows:

3 1. The public safety commission, on or before January 10  
4 of each year, shall make an estimate of the total amount of  
5 revenue deemed necessary for operation of the district and,  
6 in conjunction with the county board of supervisors and city  
7 councils in the district, determine the amounts which will be  
8 contributed by the county and by each city in the district  
9 from its general fund which are based upon an average of  
10 revenues raised for law enforcement purposes in the county  
11 or city for the three previous years. As an alternative to  
12 computing average revenues raised for law enforcement purposes  
13 for the three previous years, a public safety commission, in  
14 conjunction with the county board of supervisors and city  
15 councils in the district, may calculate the average by using  
16 the amounts budgeted for the three previous fiscal years.  
17 The average of the amounts budgeted for the three previous  
18 fiscal years may be adjusted by a percentage not to exceed the  
19 percentage increase in the consumer price index for all urban  
20 consumers for the last available twelve-month period published  
21 in the federal register by the federal department of labor,  
22 bureau of labor statistics.

23 Sec. 2. Section 28E.23, subsection 2, Code 2014, is amended  
24 by adding the following new paragraph:

25 NEW PARAGRAPH. c. Any other method agreed to by each  
26 city and county member of the district. The public safety  
27 commission shall compute the amount of revenue deemed necessary  
28 for the operation of the district and the amounts to be  
29 contributed by the county and by each city in the district  
30 based upon such agreement. The computation of revenue under  
31 this paragraph shall be certified, deposited, and otherwise  
32 treated the same as an average of revenues under section  
33 28E.24 for all purposes, including determining the source  
34 of additional revenues needed for unified law enforcement  
35 services. If the method of funding allowed in this paragraph

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1 is used, any requirement relating to average revenues raised  
2 for law enforcement purposes for the three previous years in  
3 this section, section 28E.22, subsection 4, or section 28E.24,  
4 shall not apply.

5 Sec. 3. NEW SECTION. **28E.28C Legalization of budgets.**

6 Unified law enforcement district budgets and the budgets  
7 of each member of the district that have been certified by  
8 the department of management for the fiscal period beginning  
9 on or after July 1, 1976, and ending June 30, 2014, or have  
10 been appealed to and sustained by the state appeal board for  
11 the fiscal period beginning on or after July 1, 1976, and  
12 ending June 30, 2014, are hereby legalized and deemed valid as  
13 to those parts of such budgets related to the funding of the  
14 district.

15 Sec. 4. **EFFECTIVE UPON ENACTMENT.** This Act, being deemed of  
16 immediate importance, takes effect upon enactment.

17 Sec. 5. **APPLICABILITY.** The following provision or  
18 provisions of this Act apply to fiscal years beginning on or  
19 after July 1, 2014:

20 1. The section of this Act amending section 28E.23,  
21 subsection 1.

22 2. The section of this Act amending section 28E.23,  
23 subsection 2.

24 Sec. 6. **RETROACTIVE APPLICABILITY.** The following provision  
25 or provisions of this Act apply retroactively to July 1, 1976:

26 1. The section of this Act enacting section 28E.28C.

27 **EXPLANATION**

28 The inclusion of this explanation does not constitute agreement with  
29 the explanation's substance by the members of the general assembly.

30 This bill relates to funding of unified law enforcement  
31 districts.

32 Currently, a district makes an annual determination of  
33 revenue deemed necessary for operation based on an average of  
34 revenues raised for law enforcement purposes by the county and  
35 cities located in the district for the three previous years.

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1 The bill allows an alternative computation of averaging the  
2 budgeted amount for the three previous fiscal years with a  
3 percentage adjustment not to exceed the percentage increase in  
4 the consumer price index for all urban consumers for the most  
5 recently published 12-month period. This provision applies to  
6 budget years beginning on or after July 1, 2014.

7 Currently, a district making its annual determination of  
8 revenue deemed necessary for operation can make the computation  
9 based on one of two methods. The bill adds a third method  
10 that allows the members of the district to devise their own  
11 computation method provided that each city and county member  
12 of the district agrees to the method. If this new method  
13 is selected and approved by the members of the district,  
14 requirements in Code chapter 28E relating to average revenues  
15 raised for law enforcement purposes for the three previous  
16 years do not apply. This provision applies to budget years  
17 beginning on or after July 1, 2014.

18 The bill provides that the budget of a district and the  
19 budget of each member of the district that has been certified  
20 by the department of management or has been appealed to and  
21 sustained by the state appeal board for the fiscal period  
22 beginning on July 1, 1976, and ending June 30, 2014, is  
23 legalized and deemed valid as to that part of the budget  
24 related to the funding of the district during that fiscal  
25 period. This provision applies retroactively to July 1, 1976.

26 The bill takes effect upon enactment.



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House Study Bill 668 - Introduced

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL BY  
CHAIRPERSON SANDS)

A BILL FOR

1 An Act relating to the approval and imposition of the  
2 facilities property tax levy and the equipment replacement  
3 and program sharing property tax levy for a merged area and  
4 including effective date and applicability provisions.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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H.F. \_\_\_\_\_

1 Section 1. Section 260C.15, subsection 1, Code 2014, is  
2 amended to read as follows:

3 1. Regular elections held by the merged area for the  
4 election of members of the board of directors as required by  
5 section 260C.11 or for any other matter authorized by law and  
6 designated for election by the board of directors of the merged  
7 area, shall be held on the date of the school election as fixed  
8 by section 277.1. However, elections held for the ~~renewal~~  
9 imposition, rate change, or discontinuance of the twenty and  
10 one-fourth cents per thousand dollars of assessed valuation  
11 levy authorized in section 260C.22 shall be held either on the  
12 date of the school election as fixed by section 277.1 or at a  
13 special election held on the second Tuesday in September of  
14 the even-numbered year. The election notice shall be made a  
15 part of the local school election notice published as provided  
16 in section 49.53 in each local school district where voting is  
17 to occur in the merged area election and the election shall be  
18 conducted by the county commissioner of elections pursuant to  
19 chapters 39 through 53 and section 277.20.

20 Sec. 2. Section 260C.22, subsection 1, paragraphs a and b,  
21 Code 2014, are amended to read as follows:

22 a. In addition to the tax authorized under section 260C.17  
23 and upon resolution of the board of directors, the voters  
24 in a merged area may at the regular school election or at a  
25 special election held on the second Tuesday in September of  
26 the even-numbered year vote a tax not exceeding twenty and  
27 one-fourth cents per thousand dollars of assessed value in any  
28 one year for a period not to exceed ten years, unless otherwise  
29 provided under subsection 2, for the purchase of grounds,  
30 construction of buildings, payment of debts contracted for the  
31 construction of buildings, purchase of buildings and equipment  
32 for buildings, and the acquisition of libraries, for the  
33 purpose of paying costs of utilities, and for the purpose of  
34 maintaining, remodeling, improving, or expanding the community  
35 college of the merged area. If the tax levy is approved under

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1 this section, the costs of utilities shall be paid from the  
2 proceeds of the levy. The tax shall be collected by the county  
3 treasurers and remitted to the treasurer of the merged area as  
4 provided in section 331.552, subsection 29. The proceeds of  
5 the tax shall be deposited in a separate and distinct fund to  
6 be known as the voted tax fund, to be paid out upon warrants  
7 drawn by the president and secretary of the board of directors  
8 of the merged area district for the payment of costs incurred  
9 in providing the school facilities for which the tax was voted.  
10     **b.** In order to make immediately available to the merged  
11 area the proceeds of the voted tax hereinbefore authorized  
12 to be levied, the board of directors of any such merged area  
13 is hereby authorized, without the necessity for any further  
14 election, to borrow money and enter into loan agreements in  
15 anticipation of the collection of such tax, and such board  
16 shall, by resolution, provide for the levy of an annual  
17 tax, within the limits of the special voted tax hereinbefore  
18 authorized, sufficient to pay the amount of any such loan and  
19 the interest thereon to maturity as the same becomes due. A  
20 certified copy of this resolution shall be filed with the  
21 county auditors of the counties in which such merged area is  
22 located, and the filing thereof shall make it a duty of such  
23 auditors to enter annually this levy for collection until  
24 funds are realized to repay the loan and interest thereon in  
25 full. Said loan ~~must mature within the number of years for~~  
26 ~~which the tax has been voted and~~ shall bear interest at a  
27 rate or rates not exceeding that permitted by chapter 74A.  
28 Any loan agreement entered into pursuant to authority herein  
29 contained shall be in such form as the board of directors shall  
30 by resolution provide and the loan shall be payable as to both  
31 principal and interest from the proceeds of the annual levy of  
32 the voted tax hereinbefore authorized, or so much thereof as  
33 will be sufficient to pay the loan and interest thereon. In  
34 furtherance of the foregoing the board of directors of such  
35 merged area may, with or without notice, negotiate and enter



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1 into a loan agreement or agreements with any bank, investment  
2 banker, trust company, insurance company or group thereof,  
3 whereunder the borrowing of the necessary funds may be assured  
4 and consummated. The proceeds of such loan shall be deposited  
5 in a special fund, to be kept separate and apart from all other  
6 funds of the merged area, and shall be paid out upon warrants  
7 drawn by the president and secretary of the board of directors  
8 to pay the cost of acquiring the school facilities for which  
9 the tax was voted.

10 Sec. 3. Section 260C.22, subsections 2 and 3, Code 2014,  
11 are amended by striking the subsections and inserting in lieu  
12 thereof the following:

13 2. Following both approval of the tax at two consecutive  
14 elections under subsection 1 where the question of imposition  
15 of the tax appeared on the ballot and imposition of the tax  
16 for a period of at least twenty consecutive years, the board  
17 of directors of the merged area may, by annual resolution,  
18 continue to impose the voted tax each year at a rate not to  
19 exceed the maximum rate approved at election until the tax is  
20 discontinued or the maximum rate is increased following an  
21 election pursuant to subsection 3. An increase in the maximum  
22 rate of the voted tax, not to exceed the maximum rate specified  
23 in subsection 1, shall be approved at election pursuant to the  
24 requirements of subsection 3.

25 3. A voted tax imposed under this section may be  
26 discontinued, or its maximum rate changed, by petition and  
27 election. Upon receipt of a petition containing the required  
28 number of signatures, the board of directors of a merged area  
29 shall direct the county commissioner of elections responsible  
30 under section 47.2 for conducting elections in the merged area  
31 to submit to the voters of the merged area the question of  
32 whether to discontinue the authority of the board of directors  
33 to impose the voted tax under this section or to change the  
34 maximum rate of the voted tax, whichever is applicable. The  
35 petition must be signed by eligible electors equal in number

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1 to not less than twenty-five percent of the votes cast at the  
2 last preceding election in the merged area where the question  
3 of the imposition of the tax appeared on the ballot. The  
4 question shall be submitted at an election held on a date  
5 authorized for an election under subsection 1, paragraph "a".  
6 If a majority of those voting on the question of discontinuance  
7 of the board of director's authority to impose the tax favors  
8 discontinuance, the board shall not impose the tax for any  
9 fiscal year beginning after the date of the election unless  
10 the voted tax is again authorized at election under subsection  
11 1. If a majority of those voting on the question to change the  
12 maximum rate of the voted tax favors the proposed change, the  
13 new maximum rate shall apply to fiscal years beginning after  
14 the date of the election.

15 Sec. 4. Section 260C.22, subsection 4, Code 2014, is amended  
16 by striking the subsection.

17 Sec. 5. Section 260C.28, subsection 3, Code 2014, is amended  
18 to read as follows:

19 3. a. If the board of directors wishes to certify for a  
20 levy under subsection 2, the board shall direct the county  
21 commissioner of elections to submit the question of such  
22 authorization for the board at an election held on a date  
23 specified in section 39.2, subsection 4, paragraph "c". If a  
24 majority of those voting on the question at the election favors  
25 authorization of the board to make such a levy, the board  
26 may certify for a levy as provided under subsection 2 during  
27 each of the ten years following the election, unless otherwise  
28 authorized under paragraph "b". If a majority of those voting  
29 on the question at the election does not favor authorization  
30 of the board to make a levy under subsection 2, the board may  
31 submit the question to the voters again at an election held on  
32 a date specified in section 39.2, subsection 4, paragraph "c".

33 b. Following both approval of the additional tax authorized  
34 under subsection 2 at two consecutive elections under paragraph  
35 "a" where the question of imposition of the tax appeared on



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1 the ballot and imposition of the tax for a period of at least  
2 twenty consecutive years, the board of directors of the merged  
3 area may, by annual resolution, continue to impose the tax  
4 each year at a rate not to exceed the maximum rate authorized  
5 under subsection 2, until the tax is discontinued following an  
6 election pursuant to paragraph "c".

7 c. The additional tax authorized under subsection 2 may  
8 be discontinued by petition and election. Upon receipt of a  
9 petition containing the required number of signatures, the  
10 board of directors of a merged area shall direct the county  
11 commissioner of elections responsible under section 47.2 for  
12 conducting elections in the merged area to submit to the voters  
13 of the merged area the question of whether to discontinue the  
14 authority of the board of directors to impose the additional  
15 tax under subsection 2. The petition must be signed by  
16 eligible electors equal in number to not less than twenty-five  
17 percent of the votes cast at the last preceding election in  
18 the merged area where the question of the imposition of the  
19 additional tax appeared on the ballot. The question shall be  
20 submitted at an election held on a date specified in section  
21 39.2, subsection 4, paragraph "c".

22 Sec. 6. EFFECTIVE UPON ENACTMENT. This Act, being deemed of  
23 immediate importance, takes effect upon enactment.

24 Sec. 7. APPLICABILITY.

25 1. This Act applies to merged area voted taxes under section  
26 260C.22 in effect on the effective date of this Act and merged  
27 area voted taxes approved at election under section 260C.22 on  
28 or after the effective date of this Act.

29 2. This Act applies to merged area taxes under section  
30 260C.28, subsections 2 and 3, in effect on the effective date  
31 of this Act and merged area taxes approved at election under  
32 section 260C.28, subsection 3, on or after the effective date  
33 of this Act.

34 Sec. 8. LIMITATION ON PERIOD OF TIME FOR VOTED TAX VOIDED  
35 — APPLICABILITY.

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1 1. Merged area voted taxes under section 260C.22 in effect  
2 on the effective date of this Act shall remain in effect.  
3 However, if imposition of the tax is authorized by the board of  
4 directors of the merged area under section 260C.22, subsection  
5 2, any limitation on the period of time during which the tax  
6 was authorized to be imposed under section 260C.22, Code 2014,  
7 shall be void and unenforceable.

8 2. Merged area taxes under section 260C.28, subsection 2,  
9 in effect on the effective date of this Act shall remain in  
10 effect. However, if imposition of the tax is authorized by the  
11 board of directors of the merged area under section 260C.28,  
12 subsection 3, paragraph "b", any limitation on the period of  
13 time during which the tax was authorized to be imposed under  
14 section 260C.28, subsection 3, Code 2014, shall be void and  
15 unenforceable.

16 EXPLANATION

17 The inclusion of this explanation does not constitute agreement with  
18 the explanation's substance by the members of the general assembly.

19 This bill relates to the approval and imposition of the  
20 facilities property tax levy and the equipment replacement and  
21 program sharing property tax levy for a merged area.

22 Current Code section 260C.22 provides that in addition to a  
23 merged area's property tax levy under Code section 260C.17, the  
24 voters in a merged area may vote a tax levy not exceeding 20 and  
25 one-fourth cents per \$1,000 of assessed value for a period not  
26 to exceed 10 years for the purchase of grounds, construction of  
27 buildings, payment of debts contracted for the construction of  
28 buildings, purchase of buildings and equipment for buildings,  
29 and the acquisition of libraries, for the purpose of paying  
30 costs of utilities, and for the purpose of maintaining,  
31 remodeling, improving, or expanding the community college of  
32 the merged area.

33 Under the bill, following both approval at two consecutive  
34 elections where the question of imposition of the tax was on  
35 the ballot and imposition of the tax for a period of at least 20

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1 consecutive years, the board of directors of the merged area  
2 may, by resolution, continue to impose the voted tax each year  
3 at a rate not to exceed the maximum rate approved at election  
4 until the tax is discontinued or its rate changed following  
5 an election initiated by petition. The bill also specifies  
6 that the election to impose the levy under Code section 260C.22  
7 shall be initiated by resolution of the board of directors of  
8 the merged area.

9 The bill provides that upon the receipt of a petition  
10 containing the required number of signatures, the board of  
11 directors of a merged area shall direct the appropriate county  
12 commissioners of elections to submit to the registered voters  
13 of the merged area the question of whether to discontinue the  
14 authority of the board of directors to impose the voted tax or  
15 to change the rate of the tax. The petition must be signed by  
16 eligible electors equal in number to not less than 25 percent  
17 of the number of votes cast at the last preceding election in  
18 the merged area where the question of imposition of the tax  
19 appeared on the ballot.

20 The bill also strikes obsolete provisions of Code section  
21 260C.22 relating to the imposition of the voted tax in specific  
22 years.

23 Current Code section 260C.28 provides that in addition to  
24 a property tax levy of \$0.03 per \$1,000 of assessed value for  
25 equipment replacement, the board of directors of a merged area  
26 may certify for levy at a rate in excess of the \$0.03 per \$1,000  
27 of assessed value, if the excess tax levied does not cause the  
28 total rate certified to exceed a rate of \$0.09 per \$1,000 of  
29 assessed value, and the excess revenue generated is used for  
30 purposes of program sharing between community colleges or for  
31 the purchase of instructional equipment, and the additional  
32 levy is approved at election. The approval at election may be  
33 for a period not to exceed 10 years.

34 Under the bill, following both approval at two consecutive  
35 elections where the question of imposition of the additional



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1 tax was on the ballot and imposition of the additional tax  
2 for a period of at least 20 consecutive years, the board of  
3 directors of the merged area may, by resolution, continue  
4 to impose the additional tax each year until the tax is  
5 discontinued following an election initiated by petition.

6 The bill provides that upon the receipt of a petition  
7 containing the required number of signatures, the board of  
8 directors of a merged area shall direct the appropriate county  
9 commissioners of elections to submit to the registered voters  
10 of the merged area the question of whether to discontinue the  
11 authority of the board of directors to impose the additional  
12 tax. The petition must be signed by eligible electors equal  
13 in number to not less than 25 percent of the number of votes  
14 cast at the last preceding election in the merged area where  
15 the question of the imposition of the additional tax appeared  
16 on the ballot.

17 The bill takes effect upon enactment and applies to merged  
18 area taxes in effect on the effective date of the bill  
19 and merged area taxes approved at election on or after the  
20 effective date of the bill.

21 The bill also specifies that merged area taxes under Code  
22 section 260C.22 or Code section 260C.28 in effect on the  
23 effective date of the bill shall remain in effect. However,  
24 if imposition of either tax is authorized by annual resolution  
25 of the board of directors of the merged area, any limitation  
26 on the period of time during which the tax was authorized to be  
27 levied under Code section 260C.22, Code 2014, or Code section  
28 260C.28, Code 2014, shall be void and unenforceable.



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House Study Bill 669 - Introduced

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL BY  
CHAIRPERSON SANDS)

A BILL FOR

1 An Act exempting from the sales tax the sales price of a diesel  
2 fuel trailer or seed tender used primarily in agricultural  
3 production.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 423.3, subsection 8, Code 2014, is  
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. *d.* (1) For purposes of this subsection,  
4 the following items are exempt under paragraph "a" when used  
5 primarily in agricultural production:

6 (a) A diesel fuel trailer, regardless of the vehicle to  
7 which it is to be attached.

8 (b) A seed tender, regardless of the vehicle to which it is  
9 to be attached.

10 (2) For purposes of this paragraph:

11 (a) "*Fuel trailer*" means a trailer that holds dyed diesel  
12 fuel or diesel exhaust fluid and that is used to transport such  
13 fuel or fluid to a self-propelled implement of husbandry.

14 (b) "*Seed tender*" means a trailer that holds seed and that  
15 is used to transport seed to a self-propelled implement of  
16 husbandry and load seed into a self-propelled implement of  
17 husbandry.

18 EXPLANATION

19 The inclusion of this explanation does not constitute agreement with  
20 the explanation's substance by the members of the general assembly.

21 This bill exempts from the sales tax the sales price of  
22 a diesel fuel trailer or a seed tender used primarily in  
23 agricultural production, regardless of the vehicle to which  
24 the diesel fuel trailer or seed tender is to be attached.  
25 Under current law, such items are not exempt from sales tax  
26 unless they are directly and primarily used in production of  
27 agricultural products and are customarily drawn or attached to  
28 self-propelled farm implements.

29 "Fuel trailer" and "seed tender" are both defined in the  
30 bill.

31 By operation of Code section 423.6, an item exempt from the  
32 imposition of the sales tax is also exempt from the use tax  
33 imposed in Code section 423.5.



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Senate File 2300

S-5026

1 Amend Senate File 2300 as follows:  
2 1. Page 1, line 19, by striking <shall> and  
3 inserting <may>  
4 2. Page 1, line 35, by striking <subsection 4, Code  
5 2014, is> and inserting <subsections 2 and 4, Code  
6 2014, are>  
7 3. Page 2, after line 1 by inserting:  
8 <2. The owner of the snowmobile shall file an  
9 application for registration with the department  
10 through the county recorder of the county of residence,  
11 ~~or in the case of a nonresident owner, in the county~~  
12 ~~of primary use,~~ in the manner established by the  
13 commission. The application shall be completed by the  
14 owner and shall be accompanied by a fee of fifteen  
15 dollars and a writing fee as provided in section  
16 321G.27. A snowmobile shall not be registered by the  
17 county recorder until the county recorder is presented  
18 with receipts, bills of sale, or other satisfactory  
19 evidence that the sales or use tax has been paid for  
20 the purchase of the snowmobile or that the owner is  
21 exempt from paying the tax. A snowmobile that has an  
22 expired registration certificate from another state may  
23 be registered in this state upon proper application,  
24 payment of all applicable registration and writing  
25 fees, and payment of a penalty of five dollars.>  
26 4. By renumbering as necessary.

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CHRIS BRASE

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House File 2067

S-5027

- 1 Amend House File 2067, as passed by the House, as
- 2 follows:
- 3 1. Page 1, after line 8 by inserting:
- 4 <Sec. \_\_\_\_\_. EFFECTIVE UPON ENACTMENT. This Act,
- 5 being deemed of immediate importance, takes effect upon
- 6 enactment.>
- 7 2. Title page, line 2, after <licenses> by
- 8 inserting <, and including effective date provisions>
- 9 3. By renumbering as necessary.

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COMMITTEE ON NATURAL RESOURCES AND ENVIRONMENT  
DICK L. DEARDEN, CHAIRPERSON



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Senate File 2301

S-5028

1 Amend Senate File 2301 as follows:

- 2 1. Page 4, line 24, after <day or> by inserting  
3 <must be clearly postmarked by an officially authorized  
4 postal service not later than the day before the  
5 election and received by the commissioner not later  
6 than noon on the Monday following the election or must>  
7 2. By striking page 4, line 29, through page 5,  
8 line 5.  
9 3. Page 10, by striking lines 9 through 12 and  
10 inserting <specified in section 53.17.>  
11 4. By renumbering as necessary.

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THOMAS G. COURTNEY





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Senate File 2286

S-5029

1 Amend Senate File 2286 as follows:  
2 1. Page 1, by striking lines 1 through 4 and  
3 inserting:  
4 <Section 1. IOWA CORE CONTENT AND FINE ARTS  
5 STANDARDS TASK FORCE.  
6 1. An Iowa core content and fine arts standards  
7 task force is established to review and make  
8 recommendations relating to the implementation of  
9 the Iowa core content standards and to the inclusion  
10 of fine arts in the Iowa core content standards for  
11 students in>  
12 2. Page 1, line 7, after <arts.> by inserting  
13 <The task force shall review the implementation of  
14 the Iowa core content standards and the effect of the  
15 standards on student performance and shall review the  
16 advisability of including the fine arts in the Iowa  
17 core content standards.>  
18 3. Page 1, line 34, after <2015.> by inserting  
19 <The report shall include a summary of the comments  
20 and opinions expressed during task force meetings or  
21 submitted to the task force by task force members,  
22 education stakeholders, and members of the public.>  
23 4. Title page, line 1, by striking <a> and  
24 inserting <an Iowa core content and>

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MARK CHELGREN

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JERRY BEHN

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KEN ROZENBOOM

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NANCY J. BOETTGER

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MICHAEL BREITBACH

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JACK WHITVER

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BRAD ZAUN



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Senate File 2279

S-5030

1 Amend Senate File 2279 as follows:

2 1. By striking everything after the enacting clause  
3 and inserting:

4 <Section 1. Section 100B.14, subsections 2, 3, 4,  
5 and 9, Code 2014, are amended to read as follows:

6 2. For the purposes of this section:

7 a. "Discipline" means an action by an employer that  
8 employs fifty-one more employees in this state against  
9 an employee that adversely affects the employee's  
10 regular pay to an extent greater than permitted by  
11 subsection 5, or the employee's job status, opportunity  
12 for promotion, or right to any benefit granted by the  
13 employer to other similarly situated employees.

14 b. "Discriminate" means discipline or termination  
15 of the employment of an employee by an employer that  
16 employs fifty-one or more employees in this state in a  
17 manner inconsistent with the employer's treatment of  
18 other similarly situated employees who are injured in  
19 the course of their employment or related activities.

20 c. "volunteer Volunteer emergency services provider"  
21 means a volunteer fire fighter as defined in section  
22 85.61, a reserve peace officer as defined in section  
23 80D.1A, an emergency medical care provider as defined  
24 in section 147A.1, or other personnel having voluntary  
25 emergency service duties and who are not paid full-time  
26 by the entity for which the services are performed in  
27 the local service area, in a mutual aid agreement area,  
28 or in a governor-declared state of disaster emergency  
29 area.

30 3. A public or private employer shall not  
31 discipline or terminate the employment of an employee  
32 for joining a volunteer emergency services unit  
33 or organization, including but not limited to any  
34 municipal, rural, or subscription fire department.

35 4. If an employee has provided the employee's  
36 public or private employer with written notification  
37 that the employee is a volunteer emergency services  
38 provider, the employer shall not discipline or  
39 terminate the employment of a volunteer emergency  
40 services provider who, because the employee was  
41 fulfilling performing the employee's duties as a  
42 volunteer emergency services provider, is absent from  
43 or late to work.

44 9. An employee who is disciplined, discriminated  
45 against, or whose employment is terminated in violation  
46 of this section may bring a civil action against the  
47 employer. The employee may seek reinstatement to the  
48 employee's former position, payment of back wages,  
49 reinstatement of fringe benefits, and, where seniority  
50 rights are granted, reinstatement of seniority rights.

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1 If the employee prevails in such an action, the  
2 employee shall be entitled to an award of reasonable  
3 attorney fees and the costs of the action. An employee  
4 must commence such an action within one year after the  
5 date of discipline, discrimination, or termination of  
6 the employee's employment.>

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MARK CHELGREN

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JACK WHITVER



Iowa General Assembly  
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Senate File 2258

S-5031

1 Amend Senate File 2258 as follows:

2 1. By striking everything after the enacting clause  
3 and inserting:

4 <Section 1. SHORT TITLE. This Act shall be known  
5 and may be cited as the "Champion of Financial Literacy  
6 Act of 2014".

7 Sec. 2. Section 256.9, Code 2014, is amended by  
8 adding the following new subsection:

9 NEW SUBSECTION. 65. a. Develop and implement  
10 a voluntary program to recognize school districts  
11 and accredited nonpublic schools that participate  
12 in programs that promote financial literacy for  
13 high school students and that have the following  
14 characteristics:

15 (1) Capability for implementation without  
16 additional teacher training or cost to students or  
17 school districts or schools.

18 (2) Capability for implementation using both  
19 existing instructional time or time outside of the  
20 school day.

21 (3) Capability for implementation as both a new  
22 curriculum component or as a complement to existing  
23 curriculum components.

24 (4) Inclusion of a money management system for  
25 students.

26 (5) Inclusion of curriculum and supporting  
27 materials that can be personalized for students and  
28 that were developed through partnerships with financial  
29 literacy experts in the public, private, or nonprofit  
30 sector.

31 (6) Inclusion of newsletters that provide family  
32 members with weekly savings information and the  
33 opportunity to participate in their children's  
34 activities in the program.

35 (7) Education of students in areas of financial  
36 literacy including but not limited to the following:

37 (a) Spending on necessities versus spending on  
38 discretionary matters.

39 (b) Creating a budget and spending goals.

40 (c) Banking and personal finance.

41 (d) Paying monthly bills and managing expenses on a  
42 set salary.

43 (e) Borrowing and use of credit cards.

44 (f) Opening and contributing to a savings account.

45 (g) Understanding financial aid and college  
46 expenses.

47 (h) Career planning.

48 b. The department shall select and make available a  
49 voluntary assessment that measures student achievement,  
50 based on the program developed and implemented pursuant

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1 to paragraph "a", for use by school districts and  
2 schools. The department shall announce the selection  
3 of the assessment annually by August 1.  
4 c. The governor or the department shall annually  
5 acknowledge school districts or schools in this state  
6 that demonstrate a proficient level of achievement in  
7 financial literacy as determined by at least seventy  
8 percent of their enrolled students in grades eleven  
9 and twelve or in grade twelve having completed the  
10 assessment with at least an eighty percent competency  
11 level.  
12 d. The governor or the department shall annually  
13 recognize school districts or schools in this state  
14 that demonstrate a superior level of achievement in  
15 financial literacy as determined by at least eighty  
16 percent of their enrolled students in grades eleven  
17 and twelve or in grade twelve having completed the  
18 assessment with at least an eighty percent competency  
19 level. The governor or the department shall annually  
20 recognize school districts or schools in this state  
21 that demonstrate a superior level of achievement in  
22 financial literacy as champions of financial literacy.  
23 Sec. 3. IMPLEMENTATION. The department of  
24 education shall develop and implement the program  
25 provided for in this Act and select and provide the  
26 assessment provided for in this Act for use by school  
27 districts and schools by March 1, 2015.>  
28 2. Title page, line 4, after <students> by  
29 inserting <and including implementation provisions>

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TOD R. BOWMAN

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ROBY SMITH

SF2258.3049 (2) 85

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je/rj

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**Senate File 2329 - Introduced**

SENATE FILE 2329  
BY RAGAN

**A BILL FOR**

1 An Act relating to the tax imposed on certain natural gas  
2 consumed in the state by modifying tax rates, providing  
3 for a natural gas consumer tax supplement, making  
4 appropriations, and including effective date provisions.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5653XS (4) 85  
md/sc



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1 Section 1. Section 437A.5, subsection 2, Code 2014, is  
2 amended to read as follows:  
3 2. a. If For tax years beginning on or after January 1,  
4 2015, if natural gas is consumed in this state by a consumer  
5 who consumed sixty million or more therms of natural gas in the  
6 tax year, whether such natural gas is purchased or transferred,  
7 and the delivery, purchase, or transference of such natural  
8 gas is not subject to the tax imposed under subsection 1, a  
9 tax is imposed on the consumer at the rates prescribed under  
10 subsection 1.  
11 b. (1) For the tax year beginning January 1, 2014, if  
12 natural gas is consumed in this state by a consumer who  
13 consumes less than sixty million therms of natural gas in the  
14 tax year, whether such natural gas is purchased or transferred,  
15 and the delivery, purchase, or transference of such natural  
16 gas is not subject to the tax imposed under subsection 1, a  
17 tax is imposed on the consumer at fifty percent of the rates  
18 prescribed under subsection 1.  
19 (2) For tax years beginning on or after January 1, 2015,  
20 if natural gas is consumed in this state by a consumer who  
21 consumes less than sixty million therms of natural gas in the  
22 tax year, whether such natural gas is purchased or transferred,  
23 and the delivery, purchase, or transference of such natural  
24 gas is not subject to the tax imposed under subsection 1, a  
25 tax shall not be imposed under this section on the consumer's  
26 consumption of natural gas.  
27 Sec. 2. Section 437A.5, subsection 8, unnumbered paragraph  
28 1, Code 2014, is amended to read as follows:  
29 If, for any tax year after calendar year 1998, the total  
30 ~~taxable~~ therms of natural gas required to be reported by  
31 taxpayers pursuant to section 437A.8, subsection 1, paragraphs  
32 "a" and "b", with respect to any natural gas competitive  
33 service area increases or decreases by more than the threshold  
34 percentage from the average of the base year amounts for that  
35 natural gas competitive service area during the immediately

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1 preceding five calendar years, the tax rate imposed under  
2 subsection 1, paragraph "a", and subsection 2 for that tax year  
3 shall be recalculated by the director for that natural gas  
4 competitive service area so that the total of the replacement  
5 natural gas delivery taxes required to be reported pursuant to  
6 section 437A.8, subsection 1, paragraph "e", for that natural  
7 gas competitive service area with respect to the tax imposed  
8 under subsection 1, paragraph "a", and subsection 2, and the  
9 natural gas consumer tax supplement amount for that natural gas  
10 competitive service area shall be as follows:

11 Sec. 3. Section 437A.5, subsection 8, paragraphs a and b,  
12 Code 2014, are amended to read as follows:

13 a. If the number of therms of natural gas required to be  
14 reported increased by more than the threshold percentage, one  
15 hundred two percent of the sum of such taxes required to be  
16 reported by taxpayers for that natural gas competitive service  
17 area for the immediately preceding tax year and the natural gas  
18 consumer tax supplement amount for that natural gas competitive  
19 service area for the immediately preceding tax year.

20 b. If the number of therms of natural gas required to be  
21 reported decreased by more than the threshold percentage,  
22 ninety-eight percent of the sum of such taxes required to be  
23 reported by taxpayers for that natural gas competitive service  
24 area for the immediately preceding tax year and the natural gas  
25 consumer tax supplement amount for that natural gas competitive  
26 service area for the immediately preceding tax year.

27 Sec. 4. Section 437A.5, subsection 8, paragraph c,  
28 subparagraph (4), Code 2014, is amended to read as follows:

29 (4) For purposes of this subsection, "*base year amount*"  
30 means for calendar years prior to tax year 1999, the sum of the  
31 therms of natural gas delivered to consumers within a natural  
32 gas competitive service area by the taxpayer principally  
33 serving such natural gas competitive service area which would  
34 have been subject to taxation under this section had this  
35 section been in effect for those years; and for tax years



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1 after calendar year 1998, the ~~taxable~~ therms of natural gas  
2 required to be reported by taxpayers pursuant to section  
3 437A.8, subsection 1, paragraphs "a" and "b", with respect to  
4 any natural gas competitive service area.

5 Sec. 5. NEW SECTION. 437A.5A Natural gas consumer tax  
6 supplement — appropriation.

7 1. a. For the fiscal year beginning July 1, 2015, there  
8 is appropriated from the general fund of the state to the  
9 department of revenue an amount equal to the number of therms  
10 of natural gas subject to tax under section 437A.5, subsection  
11 2, paragraph "b", subparagraph (1), for the tax year beginning  
12 January 1, 2014, multiplied by fifty percent of the rates  
13 applicable to the therms of natural gas as prescribed under  
14 section 437A.5, subsection 1, for that tax year, to be used as  
15 provided in subsection 2 of this section.

16 b. For each fiscal year beginning on or after July 1, 2016,  
17 there is appropriated from the general fund of the state to  
18 the department of revenue an amount equal to the number of  
19 therms of natural gas exempted from tax under section 437A.5,  
20 subsection 2, paragraph "b", subparagraph (2), for the tax year  
21 beginning January 1 of the calendar year preceding the fiscal  
22 year, multiplied by the rates prescribed under section 437A.5,  
23 subsection 1, for that tax year, to be used as provided in  
24 subsection 2 of this section.

25 c. Moneys appropriated by the general assembly to the  
26 department under this subsection are not subject to a uniform  
27 reduction in appropriations in accordance with section 8.31.

28 2. a. Moneys appropriated to the department under  
29 subsection 1 shall be used by the department for the payment  
30 of natural gas consumer tax supplement amounts and shall be  
31 allocated among the local taxing districts according to the  
32 allocations of replacement taxes made by the director and the  
33 department of management pursuant to section 437A.15 for the  
34 same tax year.

35 b. Natural gas consumer tax supplement amounts under



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1 this section shall, following allocation to the local taxing  
2 districts by the director and the department of management,  
3 be remitted to the county treasurers each year as provided in  
4 section 437A.8, subsection 4.

5 Sec. 6. Section 437A.8, subsection 1, paragraph b, Code  
6 2014, is amended to read as follows:

7 b. The total kilowatt-hours of electricity consumed by the  
8 taxpayer within each electric competitive service area during  
9 the tax year subject to tax under section 437A.4, subsection 2,  
10 and the total therms of natural gas consumed by the taxpayer  
11 within each natural gas competitive service area during the tax  
12 year that are subject to tax under section 437A.5, subsection  
13 2, paragraph "a", subject to tax under section 437A.5,  
14 subsection 2, paragraph "b", subparagraph (1), or that are  
15 excluded from tax under section 437A.5, subsection 2, paragraph  
16 "b", subparagraph (2).

17 Sec. 7. Section 437A.8, subsection 4, paragraph a, Code  
18 2014, is amended to read as follows:

19 a. At the time of filing the return required by subsection  
20 1 with the director, the taxpayer shall calculate the tentative  
21 replacement tax due for the tax year. The director shall  
22 compute any adjustments to the replacement tax required by  
23 subsection 7 and by section 437A.4, subsection 8, and section  
24 437A.5, subsection 8, and notify the taxpayer of any such  
25 adjustments in accordance with the requirements of such  
26 provisions. The director and the department of management  
27 shall compute the allocation of replacement taxes and  
28 natural gas consumer tax supplement amounts determined under  
29 section 437A.5A among local taxing districts and report such  
30 allocations to county treasurers pursuant to section 437A.15.  
31 Based on such allocations, the treasurer of each county shall  
32 notify each taxpayer on or before August 31 following a tax  
33 year of its replacement tax obligation to the county treasurer.  
34 On or before September 30, 2000, and on or before September  
35 30 of each subsequent year, the taxpayer shall remit to the



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1 county treasurer of each county to which such replacement tax  
2 is allocated pursuant to section 437A.15, one-half of the  
3 replacement tax so allocated, and on or before the succeeding  
4 March 31, the taxpayer shall remit to the county treasurers the  
5 remaining replacement tax so allocated. On or before September  
6 30, 2015, and on or before September 30 of each subsequent  
7 year, the department shall remit to the county treasurer of  
8 each county to which such natural gas consumer tax supplement  
9 amounts under section 437A.5A are allocated pursuant to section  
10 437A.15, one-half of the supplement amount so allocated, and  
11 on or before the succeeding March 31, the department shall  
12 remit to the county treasurers the remaining supplement amount  
13 so allocated. If notification of a taxpayer's replacement tax  
14 obligation is not mailed by a county treasurer on or before  
15 August 31 following a tax year, such taxpayer shall have thirty  
16 days from the date the notification is mailed to remit one-half  
17 of the replacement tax otherwise required by this subsection  
18 to be remitted to such county treasurer on or before September  
19 30. If a taxpayer fails to timely remit replacement taxes  
20 as provided in this subsection, the county treasurer of each  
21 affected county shall notify the director of such failure.

22 Sec. 8. Section 437A.8, subsection 6, Code 2014, is amended  
23 to read as follows:

24 6. Notwithstanding subsections 1 through 5, a taxpayer  
25 shall not be required to file a return otherwise required by  
26 this section or remit any replacement tax for any tax year  
27 in which the taxpayer's replacement tax liability before  
28 credits is three hundred dollars or less, provided that all  
29 electric companies, electric cooperatives, municipal utilities,  
30 consumers described in section 437A.5, subsection 2, paragraph  
31 "b", and natural gas companies shall file a return, regardless  
32 of the taxpayer's replacement tax liability.

33 Sec. 9. Section 437A.15, subsections 1 and 2, Code 2014, are  
34 amended to read as follows:

35 1. The director and the department of management shall



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1 compute the allocation of all replacement tax revenues other  
2 than transfer replacement tax revenues and natural gas consumer  
3 tax supplement amounts received pursuant to section 437A.5A  
4 among the local taxing districts in accordance with this  
5 section and shall report such allocation by local taxing  
6 districts to the county treasurers on or before August 15  
7 following a tax year.

8 2. a. The director shall determine and report to the  
9 department of management the total replacement taxes to be  
10 collected from each taxpayer for the tax year on or before July  
11 30 following such tax year.

12 b. The director shall also determine and report to the  
13 department of management the total natural gas consumer tax  
14 supplement amount under section 437A.5A for the tax year on or  
15 before July 30 following such tax year. Natural gas consumer  
16 tax supplement amounts provided under section 437A.5A shall,  
17 for the purposes of this section, be considered replacement  
18 taxes owed by a taxpayer and allocated among the local taxing  
19 districts as if the supplement amounts were replacement taxes  
20 paid by the consumer of the therms of natural gas under section  
21 437A.5, subsection 2, used to calculate the supplement amount.

22 Sec. 10. EFFECTIVE UPON ENACTMENT. This Act, being deemed  
23 of immediate importance, takes effect upon enactment.

24 EXPLANATION

25 The inclusion of this explanation does not constitute agreement with  
26 the explanation's substance by the members of the general assembly.

27 This bill relates to the tax imposed on certain natural gas  
28 consumed in the state by modifying tax rates and providing for  
29 a natural gas consumer tax supplement.

30 Current Code section 437A.5(2) provides that if natural  
31 gas is consumed in this state and the delivery, purchase, or  
32 transference of such natural gas is not subject to the natural  
33 gas delivery replacement tax, a tax is imposed on the consumer  
34 at the same rate as the natural gas delivery replacement tax  
35 for the applicable natural gas competitive service area.



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1 The bill continues the imposition of this tax rate on those  
2 consumers who consume 60 million or more therms of natural gas  
3 in a tax year. For the tax year beginning January 1, 2014,  
4 those consumers who consume less than 60 million therms of  
5 natural gas in the applicable tax year are subject to a tax  
6 rate that is 50 percent of the natural gas delivery replacement  
7 tax for the applicable natural gas competitive service area.  
8 In tax years beginning on or after January 1, 2015, for those  
9 consumers who consume less than 60 million therms of natural  
10 gas in a tax year, the therms of natural gas consumed are not  
11 subject to tax.

12 The bill establishes a natural gas consumer tax supplement  
13 to replace tax revenue reductions that will result from changes  
14 in the bill to the imposition of natural gas consumer tax rates  
15 under Code section 437A.5(2), establishes the methodology  
16 to calculate the amount of the supplement, and for fiscal  
17 years beginning on or after July 1, 2015, appropriates the  
18 necessary amounts from the general fund of the state to the  
19 department of revenue. The bill requires that the natural gas  
20 consumer tax supplement amounts be allocated among the local  
21 taxing districts according to the allocations of replacement  
22 taxes made by the director of revenue and the department of  
23 management pursuant to Code section 437A.15 for the same  
24 tax year. Following determination of such allocations, the  
25 natural gas consumer tax supplement amounts are remitted by  
26 the department of revenue to the appropriate county treasurers  
27 at the same times of the year as replacement taxes owed by  
28 taxpayers.

29 The bill provides that moneys appropriated for the natural  
30 gas consumer tax supplement are not subject to a uniform  
31 reduction in appropriations in accordance with Code section  
32 8.31.

33 The bill also makes changes to provisions in Code chapter  
34 437A to provide for the continued reporting by consumers on the  
35 amount of natural gas therms that are consumed regardless of



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- 1 whether the consumer is taxed.
- 2 The bill takes effect upon enactment.



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**Senate Study Bill 3202 - Introduced**

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
APPROPRIATIONS BILL BY  
CHAIRPERSON DVORSKY)

**A BILL FOR**

1 An Act relating to water quality programs and making  
2 appropriations.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TL5B 5794XC (4) 85  
tm/rj





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1 Section 1. NEW SECTION. 16.140 Water quality protection  
2 grant program — fund.

3 1. As used in this section and section 16.140A, unless the  
4 context otherwise requires:

5 a. “*Clean Water Act*” means the federal Water Pollution  
6 Control Act of 1972, Pub. L. No. 92-500, as amended by the  
7 Water Quality Act of 1987, Pub. L. No. 100-4, as published in  
8 33 U.S.C. §1251 – 1376, as amended.

9 b. “*Industry*” means any major industry, as defined by the  
10 department of natural resources according to process wastewater  
11 flows and loads of the industry, and any minor industry named  
12 in the Iowa nutrient reduction strategy that will be required  
13 to collect data on the source, concentration, and mass of total  
14 nitrogen and total phosphorus in their effluent and to evaluate  
15 alternatives for reducing the amounts of nutrients in their  
16 discharge, pursuant to the Iowa nutrient reduction strategy.

17 c. “*Iowa nutrient reduction strategy*” means the document  
18 released May 29, 2013, titled “Iowa Nutrient Reduction  
19 Strategy” that was jointly prepared by the department of  
20 agriculture and land stewardship, the department of natural  
21 resources, and Iowa state university of science and technology,  
22 or the latest revision of the document.

23 d. “*Municipality*” means a city or rural water district  
24 or association empowered to provide sewage collection and  
25 treatment services or drinking water.

26 e. “*Safe Drinking Water Act*” means Tit. XIV of the federal  
27 Public Health Service Act, commonly known as the “Safe Drinking  
28 Water Act”, 42 U.S.C. §300f et seq., as amended by the Safe  
29 Drinking Water Amendments of 1996, Pub. L. No. 104-182, as  
30 amended.

31 2. The authority shall establish and administer a water  
32 quality protection grant fund program for purposes of providing  
33 financial assistance to enhance water quality, upgrade water  
34 and wastewater infrastructure, and to implement the Iowa  
35 nutrient reduction strategy. The program shall be administered

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1 in accordance with rules adopted by the authority pursuant to  
2 chapter 17A.

3 3. A water quality protection grant fund is created in the  
4 state treasury under the control of the authority and includes  
5 moneys appropriated by the general assembly and other moneys  
6 available to and obtained or accepted by the authority for  
7 deposit in the fund, including moneys from public or private  
8 sources. Moneys in the fund are appropriated to the authority  
9 and shall be used exclusively to carry out the provisions of  
10 this section.

11 4. Grants may be awarded to municipalities or industries  
12 participating in a nutrient trading pilot project or  
13 demonstration project to purchase trading credits or to  
14 implement water quality practices as described in the Iowa  
15 nutrient reduction strategy to comply with technology-based  
16 effluent limits for nutrients at a facility. A grant under  
17 this subsection shall not exceed five hundred thousand dollars.

18 5. Grants may be awarded to municipalities for wastewater  
19 or drinking water infrastructure improvements, including  
20 costs due to invasive zebra mussel infestation, with awarded  
21 moneys being divided evenly between wastewater and drinking  
22 water infrastructure projects. In order to receive an award  
23 under this subsection, an applicant must undergo a wastewater  
24 viability assessment under section 16.135 or a similar  
25 assessment developed by the authority, in cooperation with the  
26 department of natural resources and the economic development  
27 authority, to determine the long-term operational and financial  
28 capacity of the facility and its ratepayers. Municipalities  
29 and industries seeking grants under subsection 4 are exempted  
30 from this requirement. A grant under this subsection shall not  
31 exceed five hundred thousand dollars.

32 a. In the context of water pollution control facilities,  
33 a grant may be awarded for the acquisition, construction,  
34 reconstruction, extension, equipping, improvement, or  
35 rehabilitation of any works or facilities useful for the

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1 collection, treatment, and disposal of sewage or industrial  
2 waste in a sanitary manner including treatment works as defined  
3 in section 212 of the Clean Water Act, or the implementation  
4 and development of water resource restoration sponsor projects  
5 pursuant to section 455B.199.

6     **b.** In the context of drinking water facilities, a grant may  
7 be awarded for the acquisition, construction, reconstruction,  
8 extending, remodeling, improving, repairing, or equipping of  
9 waterworks, water mains, extensions, or treatment facilities  
10 useful for providing potable water to residents served by a  
11 water system, including the acquisition of real property needed  
12 for such purposes, and such other purposes and programs as may  
13 be authorized under the Safe Drinking Water Act.

14     **6.** Notwithstanding section 12C.7, interest or earnings  
15 on moneys in the fund shall be credited to the fund.  
16 Notwithstanding section 8.33, unless specifically provided  
17 otherwise, unencumbered or unobligated moneys appropriated  
18 to the fund shall not revert but shall remain available for  
19 expenditure for the purposes designated until the close of the  
20 fiscal year that ends five years after the end of the fiscal  
21 year for which the appropriation was made.

22     **Sec. 2. NEW SECTION. 16.140A Cost-share assistance —**  
23 **feasibility assessments.**

24     The authority shall establish a cost-share assistance  
25 program for municipalities and industries required to conduct  
26 economic and technical feasibility studies and develop  
27 implementation plans and reports required by the Iowa nutrient  
28 reduction strategy. Assistance recipients may receive up  
29 to fifty percent cost-share assistance for costs associated  
30 with the study or development of the implementation plans and  
31 reports.

32     **Sec. 3. APPROPRIATION — WATER QUALITY PROTECTION GRANT**  
33 **FUND.**

34     **1.** There is appropriated from the general fund of the state  
35 to the Iowa finance authority for the fiscal year beginning

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1 July 1, 2015, and ending June 30, 2016, the following amount,  
2 or so much thereof as is necessary, to be used for the purposes  
3 designated:

4 For deposit in the water quality protection grant fund  
5 created in section 16.140, subsection 3:  
6 ..... \$ 23,000,000

7 2. Of the moneys appropriated in subsection 1, up to  
8 \$3,000,000 shall be awarded in the form of grants pursuant to  
9 section 16.140, subsection 4.

10 3. Of the moneys appropriated in subsection 1, up to  
11 \$20,000,000 shall be awarded in the form of grants pursuant to  
12 section 16.140, subsection 5.

13 EXPLANATION

14 The inclusion of this explanation does not constitute agreement with  
15 the explanation's substance by the members of the general assembly.

16 This bill relates to water quality programs.

17 The bill requires the Iowa finance authority to establish  
18 and administer a water quality protection grant fund program  
19 for purposes of providing financial assistance to enhance water  
20 quality, upgrade water and wastewater infrastructure, and to  
21 implement the Iowa nutrient reduction strategy. The bill  
22 creates a water quality protection grant fund for purposes of  
23 the water quality protection grant fund program.

24 The bill provides that grants may be awarded to  
25 municipalities or industries participating in a nutrient  
26 trading pilot project or demonstration project to purchase  
27 trading credits or to implement water quality practices as  
28 described in the Iowa nutrient reduction strategy to comply  
29 with technology-based effluent limits for nutrients at a  
30 facility. Such a grant cannot exceed \$500,000. Municipalities  
31 are defined as cities or rural water districts or associations  
32 empowered to provide sewage collection and treatment services  
33 or drinking water.

34 The bill provides that grants may be awarded to  
35 municipalities for wastewater or drinking water infrastructure

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1 improvements, including costs due to invasive zebra mussel  
2 infestation, with awarded moneys being divided evenly between  
3 wastewater and drinking water infrastructure projects. The  
4 bill requires an applicant to undergo a wastewater viability  
5 assessment to determine the long-term operational and financial  
6 capacity of the facility and its ratepayers. Such a grant  
7 cannot exceed \$500,000.

8 The bill requires the authority to establish a cost-share  
9 assistance program for municipalities and industries required  
10 to conduct economic and technical feasibility studies and  
11 develop implementation plans and reports required by the Iowa  
12 nutrient reduction strategy.

13 The bill appropriates \$23 million to the Iowa finance  
14 authority for the 2015-2016 fiscal year for deposit in the  
15 water quality protection grant fund.